

CITY OF YUCAIPA

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



CITY OF YUCAIPA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2018

Prepared by
Administrative Services Department

City of Yucaipa
Comprehensive Annual Financial Report
Year Ended June 30, 2018

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INTRODUCTORY SECTION



December 27, 2018

To the Honorable Mayor, Members of the City Council and the Citizens of Yucaipa:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2018.

This report consists of management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City’s financial statements have been audited by Van Lant & Fankhanel LLP, an independent firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended June 30, 2018, were fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City is a part of a broader, federally mandated “Single Audit” designated to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City’s internal controls and legal requirements involving the administration of federal awards. These reports are available in the City’s separately issued Single Audit Report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction

with it. The City's MD&A can be found immediately following the report of the independent auditors.

The annual budget serves as the foundation for the City's financial planning and control. Prior to the beginning of the Fiscal Year, the City Manager submits a draft budget for the upcoming year to the City Council for their consideration and approval. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The City maintains budgetary controls to ensure compliance with provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue, Debt Service, Capital Projects, and Internal Service funds are included in the annual budget. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and major Special Revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the General Fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements.

PROFILE OF THE GOVERNMENT

The City of Yucaipa was incorporated on November 27, 1989. It is a "General Law" City with a population of approximately 54,000 and is governed by a City Council/City Manager form of government. The City observes State laws and makes local laws (i.e. speed limits). The City Council has the power to make and enforce all laws and regulations with respect to municipal affairs.

The Yucaipa City Council is comprised of five Councilmembers. Each shares equal voting powers on all items coming before the Council. Effective in 2016, councilmembers are elected by district to four-year terms, with elections held in November of even-numbered years. The Council meets annually to choose one of its members as Mayor and another of its members as Mayor Pro-Tem. The City Council appoints the City Manager and City Attorney and members of all advisory boards, commissions and committees. The members of the City Council also serve as the Board of Directors for the Successor Agency to the Yucaipa Redevelopment Agency and the Yucaipa Housing Authority.

Yucaipa is a mature, well-established suburban community nestled in the foothills of the San Bernardino Mountains. Residents enjoy cleaner air and cooler temperatures as a result of the higher elevations, and a comprehensive approach to community safety has produced one of the lowest rates of crime for comparably sized cities anywhere in the State of California.

The City contains 17 parks, encompassing approximately 544 acres, including an equestrian arena and a municipal pool, as well as a 200 acre San Bernardino County regional park with 3

lakes for swimming, boating, and fishing, plus campgrounds and playgrounds for the entire family and the 1,000 +/- acre Wildwood Canyon State Park. The Yucaipa-Calimesa Joint Unified School District has an outstanding reputation, and it ranks at or near the top in every category of educational achievement. In addition, Crafton Hills College offers day and evening programs of continuing education and training opportunities for personal and professional development. Housing to accommodate all lifestyles is readily available, and three museums, a branch of the San Bernardino County Library, a Senior Center, two theater groups, and over 40 churches and 90 social or business clubs round out the community.

The City of Yucaipa provides a full range of services to its residents. These services include, but are not limited to police protection, fire suppression, paramedic services, the construction and maintenance of streets and infrastructure planning and zoning, building and safety permitting and inspecting, engineering and inspection, code enforcement, recreational activities, enrichment programs and general administration. Other services are provided by: San Bernardino County, Yucaipa-Calimesa Joint Unified School District, and Yucaipa Valley Water District. The City contracts for law enforcement services with the San Bernardino County Sheriff's Department and for fire suppression and paramedic services with the California Department of Forestry and Fire Prevention (CAL FIRE).

ECONOMIC CONDITION AND OUTLOOK

The profile outlined above demonstrates the value placed on public services provided by the City. Through the implementation of relevant fiscal policies, as described below, and a conservative fiscal strategy, combined with the economic outlook of the community, the City is poised and able to provide the amenities and facilities identified in this report on behalf of the residents. The City has successfully maintained a high pavement quality index for all of its streets, invested in parks and facilities and implemented a series of annual festivals to enhance the recreational participation in the community. All of these combine favorably to assist in laying the foundation for financial success into the future. In addition, the City is able to respond to any changes in the economic climate appropriately and effectively.

The information presented in the financial statements is perhaps best understood from the broader perspective of the specific environment within which the City operates.

Local economy

Similar to many other cities in California, Yucaipa had seen substantial revenue reductions over the six years preceding the time period for the 2015/2016 audit report due to the recession that affected the entire nation. Despite those difficult economic times, as a result of a long-term fiscally conservative approach to budgeting, the City has consistently been able to add to the General Fund Balance over the past few years. The City of Yucaipa is primarily a residential community whose economy is based primarily upon service and light manufacturing. Many residents commute for employment to other cities within the region. During the recent downturn in the economy, the unemployment rate rose from approximately 4.4% in calendar year 2008 to a

peak of 14.8% in calendar year 2013 and through the protracted recovery saw it dip to 9.2% in calendar year 2016. In calendar year 2017 unemployment decreased significantly to 4.0%..

The City of Yucaipa saw revenue sources stabilize and actually begin to increase during FY 2015/2016. This increase continued through FY 2017/2018. The City's largest revenue source comes from property taxes. Property tax revenues were received in the amount of \$10.3 million in FY 2017/2018, and the City is seeing a continuing trend of rising property values. In FY 2014/2015, the City experienced an increase in property tax revenues by the rate of approximately 5.03%, 4.33% in FY 2015/2016, 6.34% in FY 2016/2017, and an additional 5.3% in FY 2017/2018.

In addition, sales tax revenues have experienced growth annually over the last several years. This trajectory has culminated in an increase in sales tax revenue by the rate of approximately 11.23% in FY 2014/2015, and another 11.03% in FY 2015/2016. A significant element of the FY 2015/2016 increase was due to the sunset of the state directed Sales Tax Swap and the auditor directed shift in the recording of monthly sales tax receipts to include the reconciled portion of the June quarter for that year. Otherwise, the increase for FY 2015/2016 would have been equal to approximately 4.7%. Sales tax revenues continued to increase in FY 2016/2017 by the rate of approximately 5.2% and again in FY 2017/2018 by approximately 4.8%. However, the state has acknowledged some technical difficulties with the distribution of sales taxes at the end of FY 2017/2018. As a result, actual receipts will reflect an increase of only 1.32%. As the California Department of Tax and Fee Administration (the successor to the California Board of Equalization) resolves the issues of timely disbursement caused by the conversion of the their electronic system, the transmittal shortfalls from FY 2017/2018 will be recovered in FY 2018/2019.

For the future, there are a number of projects that hold economic development potential for the community and City staff continues to work with the development community to facilitate economic opportunities and foster responsible impacts to the community. For example, the City has constructed several drainage related projects that have removed over 270 properties from associated flood plains and assist in the capturing and recharging of rain water, while enhancing travel routes by eliminating low water crossings. In addition, the following major projects are currently under design or in some stage of development. Each project plays a vital role in the overall economic development strategy employed by the City Council.

- Yucaipa Performing Arts Center (estimated to be complete by March 2019)
- Crafton Hills College Village Plan
- Widening Yucaipa Boulevard from 15th Street to Interstate 10, including utility undergrounding and sewer and water improvements
- Historic Uptown Revitalization
- Oak Glen Creek Specific Plan
- Interstate 10 Gateway Project

Long Term Financial Planning

Through prudent and conservative budgeting, the City has weathered the downturn and prolonged recovery without furloughs, without cuts to staffing and without cuts to services to residents. From the time the City was incorporated, the City has had a longstanding philosophy of only paying cash for capital projects and infrastructure improvements. Several facilities built with available cash include: the Community Park and Community Center/Gym, City Hall, Fire Station #3, the Police Station and now the Performing Arts Center. Many infrastructure improvements that have been financed with available cash include: the Widening of Yucaipa Boulevard, the Live Oak / I-10 Interchange, and numerous drainage and park improvement projects including the most recent acquisition of the 334 acre El Dorado Park to be used as open space and for recreational purposes and as a mitigation “bank” for other important City projects and the 11 acre future Five Winds Ranch Recreation Center.

The City has historically used its discretionary fund balance to leverage outside funding sources in the construction of necessary capital projects. To date, the City has aggressively and successfully acquired numerous federal, state, and local grants to assist in the financing of multiple City related capital projects, totaling over \$65 million in partnerships and grant funding.

Relevant Financial Policies

Through the adoption of GASB 54 in FY 2010/11, City Council set up two contingency accounts to serve as buffers against severe changes in the local economic environment. The first, the General Fund Emergency Contingency, was established to encumber an amount equal to 20% of the annual General Fund Expenditure Budget. That was increased to 30% in FY 2015/2016. The General Fund Emergency Contingency Account is committed solely for use upon the declaration of a state or federal state of emergency or a local emergency as defined in the Yucaipa Municipal Code Section 8.36.030. In FY 2017/2018 this commitment amounted to \$5,904,216. Secondly, City Council also formalized the Reserve for Economic Uncertainties Contingency. This commitment totals \$1,000,000. This contingency account is committed and may be used solely in any fiscal year in which actual General Fund revenue is at least 30% less than budgeted General Fund revenue. To date, both of these contingencies have remained encumbered in their entirety.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City Yucaipa for its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017. This was the fourth submission and the fourth year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. This represents the City’s second submission to the GFOA award program.

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Division of the Administrative Services Department. Special recognition is due to Accounting Manager, Dustin Gray for overseeing the compilation of accounting data and interfacing with our auditors from the accounting firm of Van Lant & Fankhanel.

Respectfully submitted,



Greg Franklin
Assistant City Manager

CITY OF YUCAIPA

CITY COUNCIL*

Mayor

Greg Bogh

Mayor Pro Tem

Bobby Duncan

Councilmember

David Avila

Councilmember

Denise Allen

Councilmember

Dick Riddell

CITY OFFICIALS*

City Manager

Raymond Casey

City Attorney

David Snow

Assistant City Manager

Gregory A. Franklin

Deputy City Manager/City Clerk

Jennifer Shankland

Director of Community Development

Paul Toomey

Director of Public Works/City Engineer

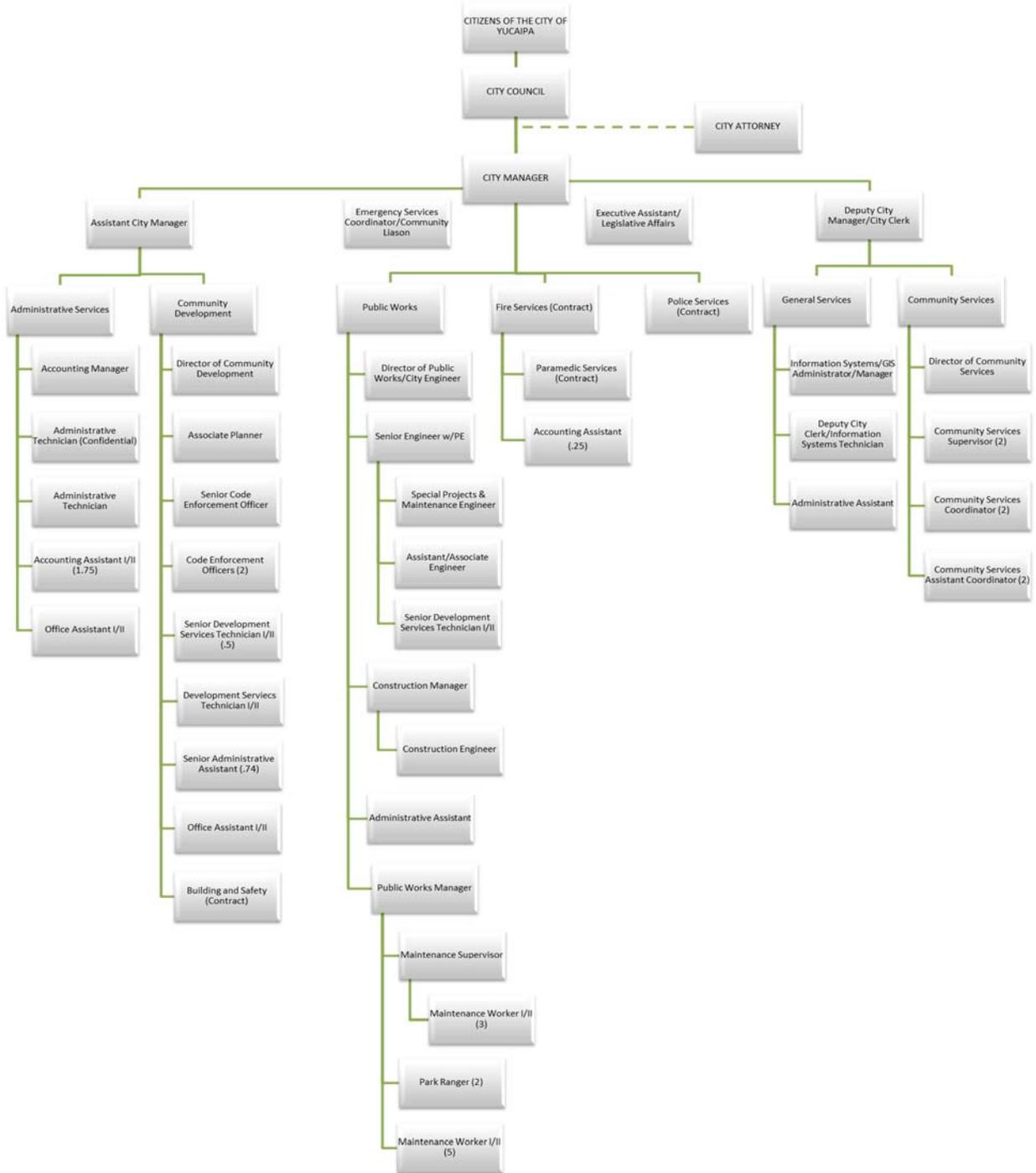
Fermin Preciado

* as of June 30, 2018



CITY OF YUCAIPA

Organizational Services by Department*



* as of June 30, 2018

** The Assistant City Manager is the Finance Officer of the Oversight Board of the Successor Agency to the Yucaipa Redevelopment Agency.





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Yucaipa
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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Independent Auditor's Report

The Honorable City Council
City of Yucaipa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Yucaipa, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Yucaipa's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Yucaipa, California, as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 8 to the financial statements, in fiscal year 2017-18, the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or to provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the supplementary information as listed in the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018, on our consideration of the City of Yucaipa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Van Lant + Fankhaed, LLP

December 27, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Yucaipa, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

- The City's Governmental Net Position (Assets) increased by approximately 4.26% to \$216.8 million as a result of this year's operations, including normal annual depreciation and the capitalization of assets, in addition to the implementation of GASB 75.
- During the year, the City's taxes and other governmental revenues exceeded expenses by approximately \$9.8 million.
- The total revenues from all sources were approximately \$41.01 million. The total cost of all City programs was approximately \$31.2 million. For capital related expenses, the total cost only includes the portion allocated for depreciation for the fiscal year.
- The General Fund reported total operational revenues over operational expenditures in the net amount of approximately \$1.65 million.
- The revised General Fund budget reflected estimated revenues over expenditures in the net amount of \$15,529.
- For the General Fund, actual operating revenues received exceeded final budget estimates by the amount of \$341,047, primarily due to increases in property taxes, charges for current services, and intergovernmental revenues.
- Actual operating expenditures in the General Fund were approximately \$1.48 million less than the final budget. This reflects transfers from other funds, which were allocated to abate expenditures in the amount of \$762,267, including the calculation of staff charges on capital projects and administrative overhead.
- At the end of Fiscal Year 2017-2018, the Unassigned Fund Balance in the General Fund was approximately \$5.57 million or 26.9% of total General Fund budgeted expenditures. This represents a net increase from the previous year's Unassigned Fund Balance in the amount of approximately \$486,982. This is the net result of five primary factors:
 1. Total net operating revenue over expenditures in the amount of approximately \$1.6 million, including interfund transfers for the abatement of budgeted expenditures;
 2. An increase due to payments made against previous General Fund advances to Development Impact Fee funds in the amount of \$27,000;
 3. A decrease due to encumbrances made in the amount of \$951,866 towards City Council approved Service Level Options identified in the Fiscal Year 2017-18 Budget, and the Mid-Year Budget Review;
 4. Adjustments to other prior year carryover accounts in the net amount of approximately \$376,578;
 5. A decrease due to loans in the amount of \$238,306 to a capital projects fund for the widening improvements along Yucaipa Boulevard and a loan in the amount of \$326,424, to be repaid with proceeds of a pending sale of a commercial restaurant building, to a special revenue fund;

- At the end of Fiscal Year 2017-2018, the Miscellaneous Fund Balance in the General Fund and the Fire Services Fund were approximately \$21.96 million and includes the following accounts:

1. General Fund – Unassigned Fund Balance	\$ 5,567,230
2. General Fund – Reserve for Economic Contingency (30% of Operational Budget)	5,904,216
3. General Fund – Reserve for Economic Stabilization	1,000,000
4. Fire Services Fund Balance (net of advance for Fire Station No. 3)	<u>9,489,406</u>
Total	<u>\$ 21,960,852</u>

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Yucaipa’s basic financial statements. The City’s basic financial statements are comprised of three components, 1) Government-wide financial statements, 2) Fund financial statements and, 3) Notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements and required information.

Government-wide Financial Statements. The Government-wide Financial Statements are designed to provide readers with a broad overview of the City’s financial position, in a manner similar to that of a private-sector business. These statements are reported on the full accrual basis of accounting. Thus, revenues and expenses are reported for some items that will not affect cash flows until future periods.

The Government-wide Financial Statements typically will separate Governmental Activities that are principally supported by taxes and revenues from other agencies, from Business-type Activities and other service fees that are intended to recover all, or a significant portion of their costs, through user fees and charges. The City of Yucaipa currently has no Business-type Activities. The Governmental Activities of the City include General Government, Public Safety, Public Works, Community Development and Community Services.

The **Government-wide Financial Statements** include not only the City, but also all legal entities for which the City is financially accountable.

The **Statement of Net Position** presents information on all of the City’s assets and liabilities; the difference between the two is reported as the net position. Assets include all infrastructure assets in accordance with GASB 34. The liabilities include all obligations. Evaluating increases or decreases in net assets over time may serve as a useful indicator of whether the financial position of the City is improving or declining.

The **Statement of Activities** presents information on the net cost of each governmental function (activity) during the fiscal year. This statement also identifies the amount of general revenues needed to fully fund each governmental function.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds (General Fund, Special Revenue, Debt Service and Capital Projects Funds) are used to account for the same functions reported as Governmental Activities in the Government-wide Financial Statements. However, unlike Government-wide Financial Statements, Fund Financial Statements focus on short-term inflows and outflows of spendable resources. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. This information may be useful in evaluating the City's short-term financing requirements.

The focus of the Fund Financial Statements is narrower than that of the Government-wide Financial Statements. The various fund Balance Sheets and the Statement of Revenues, Expenditures, and Changes in Fund Balances, require a reconciliation to facilitate the comparison between fund statements and the government-wide statements. This reconciliation is required because the government-wide statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting. This reconciliation can be found on pages 17 and 20, immediately following the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds.

Proprietary Funds are Enterprise and Internal Service Funds. The City currently has no enterprise funds. Internal Service Funds are used to accumulate and allocate costs internally to various functions. The City uses an Internal Service Fund to account for its self-insurance activities related to Worker's Compensation, liability and property insurance. The proprietary fund statements provide financial information for the Internal Service Fund.

Fiduciary Funds are used to account for resources held for the benefit of parties outside of the City. Fiduciary funds are not reflected in the government-wide and fund financial statements because the resources of those funds are not available to support the City's own programs. Fiduciary Funds are reported in the financial section, as appropriate. The City currently maintains four fiduciary funds. The first is for a donation received many years ago on behalf of the Sheriff's Department; the interest received thereon funds minor incidental needs of the department's station. The second fiduciary fund is used to account for transactions related to a deposit made for the benefit of the Yucaipa Historical Society relating to the disposition of the Kramer House, previously located within Chapman Heights. The third fiduciary fund includes the debt service reserve funds required for the Community Facilities District No. 98-1 of the City of Yucaipa (Chapman Heights). The fourth fiduciary fund maintained includes the financial information related to the Successor Agency to the City's Redevelopment Agency (RDA).

Notes to the Financial Statements. The notes provide additional information that is essential to the reader for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Yucaipa, assets exceeded liabilities by \$216,757,996 at the close of the most recent fiscal year. See Table 1, below, for a comparative analysis of net position between the fiscal years ended June 30, 2017 and June 30, 2018.

Table 1
Net Position
Governmental Activities
Fiscal Year Ended June 30

	2018	2017
Current and other Assets	\$ 54,520,828	\$ 54,104,794
Capital Assets, Net	173,234,642	161,130,470
Total Assets	\$ 227,755,470	\$ 215,235,264
Deferred Outflows of Resources	\$ 1,816,756	\$ 1,328,197
Current Liabilities	5,677,856	3,315,523
Long Term Liabilities	6,857,989	5,028,780
Total Liabilities	\$ 12,535,845	\$ 8,344,303
Deferred Inflows of Resources	\$ 278,385	\$ 322,193
Net Position:		
Net investment in		
Capital Assets	173,234,642	161,130,470
Restricted	9,548,694	12,279,486
Unrestricted	33,974,660	34,487,009
Total Net Position	\$ 216,757,996	\$ 207,896,965

The City's assets and deferred inflows exceeded liabilities and deferred outflows by approximately \$216.8 million at June 30, 2018. This represents an increase from the previous year by the amount of approximately \$8.86 million.

A large portion of the City's net position (\$173 million) reflects its investment in capital assets (i.e., land buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding, if applicable. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. (It is important to note that the only debt currently reported in the financial statements is that debt incurred by the routine payments of current obligations.) Debt obligations incurred by the former RDA and the Community Facilities District no. 98-1 are not included in the City's Governmental Financial Statements.

An additional portion of the City’s net position (\$9.6 million, or 4.4%) represents resources that are subject to external restrictions on how they may be used. This typically refers to funds received through State and Federal grants. The remaining balance of Unrestricted Net Position (\$34 million) may be used to meet the government’s ongoing obligations to citizens and creditors.

The condensed summary of activities, which follows, shows that net position increased by approximately \$9.8 million during the year as a result of operations. The summary reflects an increase in total revenues in the amount of approximately \$12.4 million from the previous year, despite lower net return on cash and investments. The difference is primarily the result of the receipt of grant funds associated with city initiated capital projects.

The summary also reflects an increase in total expenses in the amount of approximately \$2.73 million from the previous year. The difference is primarily the net result of variation in the volume and cost associated with city initiated capital projects.

Table 2
Summary of Governmental Activities
Fiscal Year Ended June 30

	2018	2017
Revenues		
Program Revenues:		
Charges for Services	\$ 3,598,357	\$ 3,695,175
Operating Grants	1,730,819	1,590,665
Capital Grants	13,559,464	1,648,680
General Revenues:		
Property Taxes	11,616,465	11,072,145
Sales Taxes	3,491,965	3,446,413
Other Taxes and Fees	1,600,781	1,550,358
Motor Vehicle In-Lieu Fees	4,961,077	4,706,421
Investment Income/Misc	455,933	908,902
Total Revenues	<u>\$ 41,014,861</u>	<u>\$ 28,618,759</u>
Expenses		
General Government	4,093,998	3,810,457
Public Safety/Fire	14,453,214	13,564,138
Comm. Dev. / Pub. Works	10,654,788	8,558,743
Community Services	2,012,974	2,549,809
Total Expenses	<u>\$ 31,214,974</u>	<u>\$ 28,483,147</u>
Increase in Net Position	<u>\$ 9,799,887</u>	<u>\$ 135,612</u>
Beginning Net Position *	<u>\$ 206,958,109</u>	<u>\$ 207,761,353</u>
Ending Net Position	<u><u>\$ 216,757,996</u></u>	<u><u>\$ 207,896,965</u></u>

* FY 2018 Beginning Net Position includes Restatement of Net Position due to implementation of GASB 75

Table 3
Revenues by Source – Governmental Funds
For the Years Ended June 30, 2018 & 2017

	2017/18		2016/17	
	Amount	% of Total	Amount	% of Total
Taxes				
Property	\$ 8,011,506	19.5%	\$ 7,648,478	26.7%
Property-Fire	3,604,959	8.8%	3,423,667	12.0%
Sales and Use	3,491,965	8.5%	3,446,413	12.0%
Franchise Fees	1,381,727	3.4%	1,339,715	4.7%
Doc. Transfer	196,525	0.5%	187,977	0.7%
Other Taxes	22,529	0.1%	22,666	0.1%
Fees for Services	3,598,357	8.8%	3,695,175	12.9%
Fines & Forfeitures	42,799	0.1%	34,708	0.1%
Other Agencies	19,645,486	47.9%	7,241,169	25.3%
Interest	64,534	0.2%	183,557	0.6%
Licenses & Permits	563,075	1.4%	669,889	2.3%
Miscellaneous Revenues	391,399	1.0%	725,345	2.5%
Extraordinary Item	-	0.0%	-	0.0%
Total	\$ 41,014,861	100%	\$ 28,618,759	100%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on the near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$38.3 million, a decrease of approximately \$11.77 million in comparison with the prior year. Approximately 15.54% of this amount (\$5.95 million) constitutes Committed, Assigned and Unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is Nonspendable or Restricted to indicate that it is not available for new spending because it has already been obligated 1) to liquidate contracts and purchase orders of the prior period, 2) for public facilities construction, and 3) for a variety of other restricted purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund

The General Fund is the chief operating fund of the City. At the end of the fiscal year ending on June 30, 2018, the Unassigned Fund Balance of the General Fund was approximately \$5.57 million. Included in the Committed Fund Balance is approximately \$7.47 million that was authorized by City Council for future operating and economic contingencies. The total Fund Balance in the General Fund, as of June 30, 2018, was approximately \$37.7 million.

The total Fund Balance of the City's General Fund increased by an amount of approximately \$1.36 million. This increase was the net result of four primary factors:

- 1) Revised budget reflected estimated revenues over expenditures in the amount of \$15,529; and
- 2) Actual revenues exceeded their budgeted estimates by the net amount of approximately \$341,047; and
- 3) Expenditure savings were achieved as a result of tight budgetary and fiscal controls. Actual net operational expenditures, reduced by an amount equal to \$762,267 for interfund transfers authorized for the abatement of expenditures from other funds, were below the budgeted authorization by the net amount of approximately \$1.48 million; and
- 4) During Fiscal Year 2017-2018, the net amount of approximately (\$479,355) was transferred to other capital project funds for the construction of various capital projects including, but not limited to, the Uptown Park at the Yucaipa Performing Arts Center and widening along Yucaipa Boulevard. Several properties have been acquired by the City in the past several years because they were strategically aligned with various capital projects in anticipation of the construction of those projects. This includes property along Yucaipa Boulevard, in anticipation of widening discrete components of the Boulevard or other purposes, and the larger property adjacent to the Yucaipa Performing Arts Center, and properties adjacent to planned low water crossing and bridge projects. Some of these properties will be sold in the near future, returning those resources back to the General Fund for future allocation, as determined by the City Council.

The differences in General Fund revenues from the total budgeted estimates can be summarized as follows:

Description	2017/18 Budget Estimate	2017/18 Actual Revenue	Amount of Increase	% Increase
Property Tax	\$ 6,827,072	\$ 6,929,814	\$ 102,742	1.5%
Sales Tax	3,556,000	3,491,965	(64,035)	-1.8%
Current Services	1,599,096	1,939,888	340,792	21.3%
Other Taxes	1,508,376	1,516,106	7,730	0.5%
Other Governmental	4,986,077	5,181,253	195,176	3.9%
Licenses & Permits	628,818	563,075	(65,743)	-10.5%
Investment Income	271,000	52,983	(218,017)	-80.4%
Misc. Revenues	129,000	171,402	42,402	32.9%
Transfers	189,286	1,181,465	992,179	524.2%

During Fiscal Year 2017-2018, the City experienced steady, but modest, increases among most revenue categories including Property Taxes, Charges for Services, and Other Governmental revenues. Interest income is lower than anticipated largely due to the results of calculating and recording the fair value adjustment prescribed by GASB 31. Transfers In to the General Fund do not include the abatement of staff time, which are reflected as a decrease in expenditures in the presentation of financial statements compliant with Generally Accepted Accounting Principles.

Special Revenue Fund:

Fire Fund

The Fire Services Fund is used to account for operational costs associated with the provision of fire suppression services. The significance in capital outlay in Fiscal Year 2017-2018 is related to the acquisition of a new fire engine and grant funded capital projects. No other significant differences are presented in the financial statements.

Capital Projects Funds:

Public Facilities

The Public Facilities Fund is a component of the City's Development Impact Fee Program. It is used to account for financial transactions specifically related to the construction of Public Facilities. In Fiscal Year 2016-2017 resources were transferred from the General Fund to the Public Facilities Fund in the amount of approximately \$7.3 million for the construction of the Yucaipa Performing Arts Center. In addition, the General Fund advanced resources as a loan for the same project in the amount of approximately \$6.3 million to be repaid with the collection of future Development Impact Fees. This treatment of advancing funds to pay for capital facilities is consistent with funds previously advanced to the Traffic Facilities Fund for projects including the Live Oak/Oak Glen Interchange project, which has been repaid in full in previous fiscal years. There is nothing significant to report relative to the current year change in fund balance.

Facilities Construction

The Facilities Construction Fund is a miscellaneous capital project fund used to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Traffic Facilities

The Traffic Facilities Fund is a component of the City's Development Impact Fee Program. It is used to account for financial transactions specifically related to the construction of Traffic Infrastructure Projects. Changes in Fund Balance from one year to the next reflect the timing of grant revenue receipts and the construction of capital projects. There is nothing significant to report relative to the change in fund balance.

Low Water Crossings

The Low Water Crossings Fund is used to account for grant and other funds used in replacing several low water crossings with bridges throughout the City. Changes in Fund Balance from one year to the next reflect the timing of grant revenue receipts and the construction of capital projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$173,234,642 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and construction-in-progress.

The total net increase in the City's net investment in capital assets for the current fiscal year was approximately \$12.1 million. The primary major capital assets added during Fiscal Year 2017-2018 were the completion of several public works projects, including the completion of several street improvement projects and a large drainage project, as well as increases to Construction-in-progress related to the YPAC project, several street improvement projects and several drainage projects. Construction-in-progress totaled \$31 million at June 30, 2018 and depreciation expense during the fiscal year was approximately \$5 million. See Table 4, below, for the amounts recorded by category as of June 30, 2018. Refer to Note 4 in the financial statements.

Table 4
City of Yucaipa
Recorded Capital Assets at Year-End
(Net of Depreciation)

Land	\$	62,803,321
Infrastructure		71,351,509
Structures and Improvements		5,701,736
Equipment / Vehicles		2,368,927
Construction-in-Progress		31,009,149
Total Capital Assets	\$	<u>173,234,642</u>

Long-term Debt. At the end of the current fiscal year, other than the obligations outlined in Note 5 related to the total Other Post-Employment Benefits (OPEB), Note 7 related to Pension Plan liabilities, and Compensated Absences, the City had no outstanding long-term debt. As of June 30, 2018 the Successor Agency to the Yucaipa RDA had incurred total long-term debt in the amount of \$7,338,991. This amount represents bonded indebtedness incurred as a result of Tax Allocation Bonds issued by the former RDA in 1998, 2004, and 2010. The former RDA issued 2010 Tax Allocation Bonds, dated November 2, 2010, in the amount of \$6,030,000 to finance Redevelopment projects. The 2010 bonds are issued on parity with the Agency's 1998

and 2004 bonds and have interest rates ranging from 4.00% to 5.50%. The final payment is due September 1, 2040.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's financial condition for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Assistant City Manager, 34272 Yucaipa Blvd., Yucaipa, CA 92399.

BASIC FINANCIAL STATEMENTS

**City of Yucaipa
Statement of Net Position
June 30, 2018**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 40,807,570
Receivables:	
Accounts	955,492
Interest	256,574
Due From Other Governments	11,545,467
Restricted Cash and Investments	955,725
Capital Assets, Not Being Depreciated	93,812,470
Capital Assets, Net of Accumulated Depreciation	79,422,172
Total Assets	227,755,470
DEFERRED OUTFLOWS OF RESOURCES	
Deferred OPEB Related Items	19,085
Deferred Pension Related Items	1,797,671
Total Deferred Outflows	1,816,756
LIABILITIES	
Accounts Payable	4,647,131
Accrued Liabilities	75,000
Deposits Payable	955,725
Noncurrent Liabilities:	
Due Within One Year	47,319
Due in More Than One Year	6,810,670
Total Liabilities	12,535,845
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Related Items	278,385
NET POSITION	
Net Investment in Capital Assets	173,234,642
Restricted for:	
Housing	50,095
Public Safety	1,147,116
Public Works/Transportation	1,795,685
Community Development	306
Community Services/Public Education	2,679,478
Capital Projects	2,598,651
Other Purposes	1,277,363
Unrestricted	33,974,660
Total Net Position	\$ 216,757,996

The accompanying notes are an integral part of this statement.

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**City of Yucaipa
Statement of Activities
Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 4,093,998	\$ 653,797	\$ 75,130	\$	\$ (3,365,071)
Community Development	2,256,053	562,987		418,726	(1,274,340)
Building and Safety	387,227	583,294	14,760		210,827
Public Works	8,011,508	352,058	1,022,648	12,889,935	6,253,133
Public Safety	9,869,497	157,927	183,522	802	(9,527,246)
Fire Protection Services	3,097,650	133,667	82,185	7,014	(2,874,784)
Paramedic Services	1,486,067				(1,486,067)
Community Services	2,012,974	1,154,627	352,574	242,987	(262,786)
Total Governmental Activities	\$ 31,214,974	\$ 3,598,357	\$ 1,730,819	\$ 13,559,464	(12,326,334)

General Revenues:

Taxes:

Property Taxes	11,616,465
Sales and Use Taxes	3,491,965
Franchise Taxes	1,381,727
Documentary Transfer Tax	196,525
Other Taxes	22,529
Vehicle License Fees, Unrestricted	4,961,077
Investment Income	64,534
Miscellaneous	391,399

Total General Revenues 22,126,221

Change in Net Position 9,799,887

Net Position - Beginning of Year 207,896,965

Restatement of Net Position (See Note 15) (938,856)

Net Position - End of Year \$ 216,757,996

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Balance Sheet
Governmental Funds
June 30, 2018**

	<u>General</u>	<u>Special Revenue Fire</u>	<u>Capital Projects</u>	
			Developer Fees Public Facilities	Facilities Construction
ASSETS				
Cash and Investments	\$ 11,641,131	\$ 9,518,460	\$ 483,885	\$ 6,543,348
Receivables:				
Accounts	945,698			
Interest	233,559	10,805	1,046	
Due From Other Governments	3,587	87,334		
Due From Other Funds	5,173,678			761,000
Restricted Cash and Investments	954,625			
Advances to Other Funds	20,416,604	2,331,014		
	<u>20,416,604</u>	<u>2,331,014</u>		
Total Assets	<u>\$ 39,368,882</u>	<u>\$ 11,947,613</u>	<u>\$ 484,931</u>	<u>\$ 7,304,348</u>
LIABILITIES				
Accounts Payable & Accrued Liabilities	\$ 755,445	\$ 127,193	\$	\$ 1,527,088
Deposits Payable	954,625			
Due to Other Funds				
Advances From Other Funds			16,036,213	
			<u>16,036,213</u>	
Total Liabilities	<u>1,710,070</u>	<u>127,193</u>	<u>16,036,213</u>	<u>1,527,088</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	20,416,604			
Restricted	192,397			
Committed	7,463,406	11,820,420		
Assigned	4,019,175			5,777,260
Unassigned	5,567,230		(15,551,282)	
	<u>5,567,230</u>		<u>(15,551,282)</u>	
Total Fund Balances	<u>37,658,812</u>	<u>11,820,420</u>	<u>(15,551,282)</u>	<u>5,777,260</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 39,368,882</u>	<u>\$ 11,947,613</u>	<u>\$ 484,931</u>	<u>\$ 7,304,348</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects</u>			
<u>Traffic Facilities</u>	<u>Low Water Crossings</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
\$ 4,651,313	\$	\$ 7,337,973	\$ 40,176,110
	564		946,262
2,003		8,578	255,991
4,008,845	3,983,417	3,462,284	11,545,467
			5,934,678
		1,100	955,725
		1,037,430	23,785,048
<u>\$ 8,662,161</u>	<u>\$ 3,983,981</u>	<u>\$ 11,847,365</u>	<u>\$ 83,599,281</u>
\$ 431,762	\$ 686,052	\$ 1,101,955	\$ 4,629,495
		1,100	955,725
	3,108,225	2,826,453	5,934,678
1,501,947		6,246,888	23,785,048
<u>1,933,709</u>	<u>3,794,277</u>	<u>10,176,396</u>	<u>35,304,946</u>
<u>4,008,845</u>	<u>3,917,876</u>	<u>2,099,674</u>	<u>10,026,395</u>
<u>4,008,845</u>	<u>3,917,876</u>	<u>2,099,674</u>	<u>10,026,395</u>
			20,416,604
2,719,607		7,827,829	10,739,833
			19,283,826
			9,796,435
	(3,728,172)	(8,256,534)	(21,968,758)
<u>2,719,607</u>	<u>(3,728,172)</u>	<u>(428,705)</u>	<u>38,267,940</u>
<u>\$ 8,662,161</u>	<u>\$ 3,983,981</u>	<u>\$ 11,847,365</u>	<u>\$ 83,599,281</u>

The accompanying notes are an integral part of this statement.

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City of Yucaipa
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Fund balances of governmental funds \$ 38,267,940

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Cost of Capital Assets Not Being Depreciated	93,812,470
Cost of Capital Assets Being Depreciated	227,746,447
Accumulated Depreciation	(148,324,275)

Long-term debt obligations are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated Absences	(321,122)
Net Pension Liability	(4,904,437)
Net OPEB Liability	(1,632,430)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension and OPEB Liabilities are not reported in the funds:

Deferred Outflows Related to Pensions	1,797,671
Deferred Inflows Related to Pensions	(278,385)
Deferred Outflows Related to OPEB	19,085

The internal service fund is used by management to charge costs of activities involved in rendering services to departments within the City. The assets and liabilities of the internal service fund are included in the statement of net position.

548,637

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

10,026,395

Net position of governmental activities

\$ 216,757,996

The accompanying notes are an integral part of this statement.

City of Yucaipa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	General	Special Revenue	Capital Projects	
		Fire	Developer Fees Public Facilities	Facilities Construction
REVENUES				
Taxes:				
Property Taxes	\$ 6,929,814	\$	\$	\$
Property Taxes - Fire		3,604,959		
Sales and Use Taxes	3,491,965			
Franchise Taxes	1,297,052			
Documentary Transfer Tax	196,525			
Other Taxes	22,529			
Licenses and Permits	563,075			
Fines and Forfeitures	20,460			
Charges for Services	1,939,888	77,677	63,634	
Intergovernmental	5,181,253			147,000
Investment Income	52,983	31,280	3,725	
Other	150,942	160,284	11,266	
Total Revenues	19,846,486	3,874,200	78,625	147,000
EXPENDITURES				
Current:				
General Government	3,179,597			
Community Development	796,652			
Building and Safety	387,227			
Public Works	2,518,551			
Public Safety	9,090,164			
Fire Protection Services		3,097,650		
Paramedic Services				
Community Services	1,816,440			1,486
Capital Outlay	409,429	767,210	111,600	7,641,822
Total Expenditures	18,198,060	3,864,860	111,600	7,643,308
Excess (Deficiency) of Revenues over Expenditures	1,648,426	9,340	(32,975)	(7,496,308)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,181,465			1,125,846
Transfers Out	(1,471,534)		(217,803)	(154,178)
Total Other Financing Sources (Uses)	(290,069)	-	(217,803)	971,668
Net Change in Fund Balances	1,358,357	9,340	(250,778)	(6,524,640)
Fund Balances, Beginning of Year	36,300,455	11,811,080	(15,300,504)	12,301,900
Fund Balances, End of Year	\$ 37,658,812	\$ 11,820,420	\$ (15,551,282)	\$ 5,777,260

The accompanying notes are an integral part of this statement.

Capital Projects			Total
Traffic Facilities	Low Water Crossings	Non-Major Funds	Governmental Funds
\$	\$	\$ 1,081,692	\$ 8,011,506
			3,604,959
			3,491,965
		84,675	1,381,727
			196,525
			22,529
			563,075
		22,339	42,799
244,234		1,012,291	3,337,724
300,603	116,532	3,825,122	9,570,510
21,233		369,733	478,954
		68,907	391,399
<u>566,070</u>	<u>116,532</u>	<u>6,464,759</u>	<u>31,093,672</u>
		225,947	3,405,544
			796,652
			387,227
	1,435	1,381,199	3,901,185
		37,491	9,127,655
			3,097,650
		1,486,067	1,486,067
		12,500	1,830,426
<u>2,905,343</u>	<u>2,370,820</u>	<u>4,725,535</u>	<u>18,931,759</u>
<u>2,905,343</u>	<u>2,372,255</u>	<u>7,868,739</u>	<u>42,964,165</u>
<u>(2,339,273)</u>	<u>(2,255,723)</u>	<u>(1,403,980)</u>	<u>(11,870,493)</u>
<u>1,507,685</u>	<u>262,000</u>	<u>3,148,961</u>	<u>7,225,957</u>
		<u>(5,278,156)</u>	<u>(7,121,671)</u>
<u>1,507,685</u>	<u>262,000</u>	<u>(2,129,195)</u>	<u>104,286</u>
<u>(831,588)</u>	<u>(1,993,723)</u>	<u>(3,533,175)</u>	<u>(11,766,207)</u>
<u>3,551,195</u>	<u>(1,734,449)</u>	<u>3,104,470</u>	<u>50,034,147</u>
<u>\$ 2,719,607</u>	<u>\$ (3,728,172)</u>	<u>\$ (428,705)</u>	<u>\$ 38,267,940</u>

The accompanying notes are an integral part of this statement.

City of Yucaipa
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2018

Net change in fund balances - total governmental funds \$ (11,766,207)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense:

Capital Outlay	17,116,263
Depreciation	(5,012,091)

The internal service fund is reported as a proprietary fund separate from the governmental funds. The revenues and expenses of the internal service fund are included in the statement of activities. (101,281)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change in unavailable revenue for the current period. 9,921,189

Amounts for deferred inflows and deferred outflows related to the City's Net Pension and OPEB Liabilities are not reported in the funds. This is the net change in deferred inflows and outflows related to these liabilities:

Deferred Outflows Related to Pensions	469,474
Deferred Inflows Related to Pensions	43,808
Deferred Outflows Related to Net OPEB Liability	19,085

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	23,484
Net Pension Liability	(786,729)
Total OPEB Liability	<u>(127,108)</u>

Change in net position of governmental activities \$ 9,799,887

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Statement of Net Position
Proprietary Fund
June 30, 2018**

	Governmental Activities - Internal Service Fund
ASSETS	
Current:	
Cash and Investments	\$ 631,460
Accounts Receivable	9,230
Interest Receivable	583
	641,273
Total Current Assets	641,273
 LIABILITIES	
Current:	
Accounts Payable	17,636
Accrued Liabilities	75,000
	92,636
Total Current Liabilities	92,636
 NET POSITION	
Unrestricted	548,637
	548,637
Total Net Position	\$ 548,637

The accompanying notes are an integral part of this statement.

City of Yucaipa
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 215,000
Other Income	12,390
	227,390
Total Operating Revenues	227,390
OPERATING EXPENSES	
Professional Services	17,426
Property and Liability Premiums	186,676
Claims Expense	21,292
	225,394
Total Operating Expenses	225,394
Operating Income (Loss)	1,996
NON-OPERATING REVENUES (EXPENSES)	
Investment Earnings	1,009
	1,009
Total Non-Operating Revenues (Expenses)	1,009
Income (Loss) before contributions and transfers	3,005
Transfers Out	(104,286)
Total Transfers	(104,286)
Change in Net Position	(101,281)
Total Net Position, Beginning of Year	649,918
Total Net Position, End of Year	\$ 548,637

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2018**

	<u>Governmental Activities - Internal Service Fund</u>
Cash Flows from Operating Activities	
Cash Received from Users	\$ 215,000
Cash Paid to Suppliers for Goods and Service	(188,184)
Cash Paid for Claims	(21,292)
Other Income	<u>13,160</u>
Net Cash Provided (Used) by Operating Activities	<u>18,684</u>
Cash Flows from Non-Capital Financing Activities	
Cash Transferred From (Paid To) Other Funds	<u>(104,286)</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(104,286)</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>866</u>
Net Cash Provided (Used) by Investing Activities	<u>866</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(84,736)
Cash and Cash Equivalents, Beginning of Year	<u>716,196</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 631,460</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating income (loss)	\$ 1,996
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) Decrease in Accounts Receivable	-
(Increase) Decrease in Grants Receivable	770
Increase (Decrease) in Accounts Payable	<u>15,918</u>
Net Cash Provided (Used) By Operating Activities	<u><u>\$ 18,684</u></u>

The accompanying notes are an integral part of this statement.

**City of Yucaipa
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018**

	Successor Agency Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash and Investments	\$ 587,297	\$ 2,667,433
Cash and Investments with Fiscal Agent	773,430	2,402,392
Accounts Receivable		7,654
Interest Receivable	698	2,773
	1,361,425	5,080,252
Total Assets	1,361,425	\$ 5,080,252
LIABILITIES		
Accounts Payable	1,963	\$ 102,459
Deposits Payable		
Interest Payable	122,626	
Bonds Payable	7,338,991	
Due to Bondholders		4,977,793
Due to City	-	
	7,463,580	5,080,252
Total Liabilities	7,463,580	\$ 5,080,252
NET POSITION		
Net Position Held in Trust for Successor Agency	\$ (6,102,155)	

The accompanying notes are an integral part of this statement.

City of Yucaipa
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2018

	<u>Successor Agency Private-Purpose Trust Fund</u>
ADDITIONS	
Taxes	\$ 902,717
Investment Income	6,522
Other	
Total Additions	<u>909,239</u>
DEDUCTIONS	
Administration Costs	193,246
Interest Expense	<u>371,552</u>
Total Deductions	<u>564,798</u>
Change in Net Position	344,441
Net Position - Beginning	<u>(6,446,596)</u>
Net Position - Ending	<u><u>\$ (6,102,155)</u></u>

The accompanying notes are an integral part of this statement.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Yucaipa, California (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A) Reporting Entity

The City of Yucaipa was incorporated on November 27, 1989 under the general laws of the State of California. The City operates under the Council-Manager form of government.

As required by generally accepted accounting principles, these financial statements present the City of Yucaipa and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Currently, the City of Yucaipa does not have any component units to report.

B) Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the economic resources measurement focus and accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Program revenues include charges for services and payments made by parties outside the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expense.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about the major funds individually and nonmajor funds in the aggregate for all funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

The City uses an availability period of 60 days, except for grants which are considered available if they are collected within 120 days after year-end. Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered “available spendable resources,” since they do not represent the net current assets.

Recognition of governmental fund type revenues represented by non-current receivables are deferred until they become current receivables. Non-current portions of long-term receivables are offset by nonspendable fund balance.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Proprietary Fund and Fiduciary Funds

The City’s internal service fund is a proprietary fund. In the fund financial statements, the proprietary fund and fiduciary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, the proprietary fund and the private-purpose trust fund are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s internal service fund are charges to internal customers for risk management functions. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Fund Classifications

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Fire Special Revenue Fund* accounts for property taxes collected and set-aside for financing and administering fire services.

The *Developer Fees Public Facilities Capital Projects Fund* accounts for and reports financial resources collected from development impact fees on new development and restricted for construction of public facilities.

The *Facilities Construction Capital Projects Fund* accounts for and reports financial resources for capital projects that have multiple funding sources.

Additionally, the City reports the following fund types:

The *Self Insurance Internal Service Fund* accounts for self-funded insurance. Departments of the City are charged for services provided or benefits received from this fund.

The *Private-purpose Trust Fund* accounts for the balances and transactions of the Successor Agency to the Yucaipa Redevelopment Agency.

The *Agency Fund* accounts for monies held for assessment districts, and other deposits.

D) Cash and Investments

Cash includes amounts in demand and time deposits. Investments are reported in the accompanying financial statements at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

E) Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F) Due from Other Governments

The amounts recorded as due from other governments, include sales taxes, property taxes, and grant revenues, collected or provided by Federal, State, County and City governments and remain unremitted to the City as of June 30, 2018.

G) Advances Between Funds

Advances receivable, as reported in the fund financial statements, are offset by nonspendable fund balance in the General Fund to indicate that they are not available for appropriation and are not expendable available financial resources.

H) Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1, each year. Taxes are levied on July 1, and are payable in two installments no later than December 10, and April 10, of each year. The County of San Bernardino bills and collects the property taxes and remits them to the City in installments during the year. Under the provisions of NCGA Interpretation 3, property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided it is collected within 60 days of the end of the fiscal year.

The County is permitted by State law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. The City receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period and transferred to the City upon incorporation.

I) Claims and Judgments

The City maintains funds in the Self Insurance Internal Service Fund as a reserve for litigation, judgments and claims equal to a minimum of three times the City's self-insured retention. This reserve represents an estimate for claims, including "incurred but not reported" (IBNR).

J) Employee Leave Benefits

In accordance with GASB Statement No 16, a liability is recorded for unused balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

K) Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets received prior to the implementation of GASB 72 are valued at their estimated fair market value at the date of the contribution. Contributed capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. Generally, capital asset purchases in excess of \$10,000 and infrastructure greater than \$100,000 are capitalized.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital assets include public domain (infrastructure) assets consisting of certain improvements including roads, streets, sidewalks, medians and storm drains. Depreciation has been provided using the straight line method over the estimated useful life of the asset in the government-wide financial statements.

The following schedule summarizes capital asset useful lives:

Building and Improvements	10 - 30 years
Equipment	7 - 10 years
Vehicles	7 - 10 years
Infrastructure	10 - 30 years

L) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M) Fund Equity

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of net position which is not restricted to use.

N) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has only one item that qualifies for reporting in this category. It is the deferred outflows related to the pension contributions in accordance with GASB Statement No. 68.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has certain items, which arise only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows as a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

P) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

GASB 83 - Certain Asset Retirement Obligations: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB 84 - Fiduciary Activities: This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB 87 – Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease

accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 88 – Certain Disclosures Related to Debt: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

GASB 90 – Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In addition, the City implemented the following GASB pronouncements as of June 30, 2018 (see Notes 8 and 15):

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions: This statement was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions.

Q) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Yucaipa's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 40,807,570
Restricted Cash and Investments	955,725
Statement of Fiduciary Net Position:	
Cash and Investments	3,254,730
Cash and Investments with Fiscal Agents	3,175,822
Total Cash and Investments	\$ 48,193,847

Cash and Investments consist of the following:

Cash on Hand	\$ 700
Deposits with Financial Institutions	1,601,417
Investments	46,591,730
Total Cash and Investments	\$ 48,193,847

Investments Authorized by the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	2 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	2 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
Supranationals	Yes	5 years	30%	None
JPA Pools (other investment pools)	No	N/A	None	None

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS - Continued

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provision of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Medium Term Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Repurchase Agreements	270 days	30%	None
Investment Contracts	30 years	None	None
Local Agency Investment Fund (LAIF)	N/A	50 million	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rate. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investment by maturity:

<u>Investment Type</u>	<u>Remaining Maturity (in Months)</u>		
	<u>12 Months or Less</u>	<u>1 to 2 Years</u>	<u>2 to 5 Years</u>
U.S. Treasury Obligations	\$ 9,629,872	\$ -	\$ 196,172
U.S. Agency Securities	3,306,644	91,629	2,681,371
Supra-National Agency Securities	2,544,480	-	235,935
Negotiable Certificates of Deposit	4,774,840	696,960	2,143,640
Medium Term Notes	10,380,557	348,026	1,784,681
Municipal Securities	676,471	-	377,185
Asset Backed Securities	4,445,647	-	-
LAIF	7,636,536	7,636,536	-
Money Market Mutual Funds	20,861	20,861	-
Held by Bond Trustee:			
LAIF	55,425	55,425	-
Money Market Mutual Funds	3,120,397	3,120,397	-
Total Pooled Investments	<u>\$ 46,591,730</u>	<u>\$ 11,969,834</u>	<u>\$ 7,418,984</u>
			<u>\$ 27,202,912</u>

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	AAA	AA	A and A-1	Not Required to be Rated
U.S. Treasury Obligations	\$ 9,629,872	N/A	\$ -	\$ 9,629,872	\$ -	\$ -
U.S. Agency Securities	3,306,644	N/A	-	3,306,644	-	-
Supranational Agency Securities	2,544,480	A-	2,544,480	-	-	-
Negotiable Certificates of Deposit	4,774,840	A-	-	2,630,548	2,144,292	-
Medium Term Notes	10,380,557	A-	-	1,445,204	8,935,353	-
Municipal Securities	676,471	N/A	-	377,185	299,286	-
Asset Backed Securities	4,445,647	AA	4,445,647	-	-	-
LAIF	7,636,536	N/A	-	-	-	7,636,536
Money Market Mutual Funds	20,861	N/A	20,861	-	-	-
Held by Bond Trustee:						
LAIF	55,425	N/A	-	-	-	55,425
Money Market Mutual Funds	3,120,397	AAA	3,120,397	-	-	-
Total Pooled Investments	<u>\$ 46,591,730</u>		<u>\$ 10,131,385</u>	<u>\$ 17,389,453</u>	<u>\$ 11,378,931</u>	<u>\$ 7,691,961</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2018, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS - Continued

As of June 30, 2018, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2018, none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities.

For investments identified herein as held by bond trustee, the bond trustee selects the investments under terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2018:

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
U.S. Treasury Obligations	\$ 9,629,872	\$ 9,629,872	\$ -	\$ -
U.S. Agency Securities	3,306,644	-	3,306,644	-
Supranational Agency Securities	2,544,480	-	2,544,480	-
Negotiable Certificates of Deposit	4,774,840	-	4,774,840	-
Medium Term Notes	10,380,557	-	10,380,557	-
Municipal Securities	676,471	-	676,471	-
Asset Backed Securities	4,445,647	-	4,445,647	-
Total Pooled Investments	\$ 35,758,511	\$ 9,629,872	\$ 26,128,639	\$ -

Investment in State Investment Pool

The City is a voluntary participant in the LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2018 are as follows:

<u>Due From (Receivable)</u>	<u>Due To (Payable)</u>	<u>Amount</u>
General Fund	Non-major Governmental Funds Low Water Crossings Fund	\$ 2,065,453 3,108,225
Facilities Construction Capital Projects Fund	Non-major Governmental Funds	<u>761,000</u>
Total		<u>\$ 5,934,678</u>

The interfund balance from the General Fund was the result of short-term borrowings to cover deficit cash balances at June 30, 2018 as well as for cash flow to cover operations.

Interfund advances at June 30, 2018 are as follows:

<u>Advances to Other Funds (Receivable)</u>	<u>Advances From Other Funds (Payable)</u>	<u>Amount</u>
General Fund	Developer Fees Public Facilities Traffic Facilities Non-major Governmental Funds	\$ 16,036,213 1,501,947 2,878,444
Fire Special Revenue Fund Non-major Governmental Funds	Non-major Governmental Funds Non-major Governmental Funds	2,331,014 <u>1,037,430</u>
Total Advances To/From Other Funds		<u>\$ 23,785,048</u>

The interfund balances were a result of the City's General Fund financing the construction improvements to the Live Oak/Oak Glen Road Interchange, construction of the City Hall, Aquatic Center, construction of the Community Park, construction of Fire Station No. 3, and the Yucaipa Performing Arts Center, respectively. These balances are expected to be repaid with future revenues.

Interfund transfers at June 30, 2018 are as follows:

<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>					<u>Total</u>
	<u>General Fund</u>	<u>Facilities Construction</u>	<u>Traffic Facilities</u>	<u>Low Water Crossings</u>	<u>Non-Major Funds</u>	
General Fund	\$ -	\$ 414,349	\$ -	\$ -	\$ 1,057,185	\$ 1,471,534
Developer Fees Public Facilities	103,306	114,497	-	-	-	217,803
Facilities Construction	135,000	-	-	-	19,178	154,178
Non-Major Funds	838,873	597,000	1,507,685	262,000	2,072,598	5,278,156
Internal Service Funds	104,286	-	-	-	-	104,286
	<u>\$ 1,181,465</u>	<u>\$ 1,125,846</u>	<u>\$ 1,507,685</u>	<u>\$ 262,000</u>	<u>\$ 3,148,961</u>	<u>\$ 7,225,957</u>

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

The transfers from the General Fund and Developer Fees Public Facilities to the Facilities Construction Fund and Non-Major Funds were to fund various park and facility projects.

The transfers from Developer Public Facilities Fund, Facilities Construction, Traffic Facilities Fund and Non-Major Fund to the General Fund were repayment of advanced resources to fund various parks and facility projects.

The transfers from the Developer Fees Public Facilities Fund and Non-Major Funds to the Facilities Construction Fund were to fund the construction of the Yucaipa Performing Arts Center.

The transfer from the Non-Major Funds to the Traffic Facilities Fund was to fund the construction of street projects.

The transfer from the Non-Major Funds to the Low Water Crossings Fund was to fund the construction of low water crossings.

The Transfer from the Non-Major Funds to the Non-Major Funds was to fund street and park projects.

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Buildings and Improvements	\$ 15,274,830	\$ 54,647	\$ -	\$ 15,329,477
Equipment	1,924,614	573,642	-	2,498,256
Vehicles	3,280,981	388,696	42,801	3,626,876
Infrastructure	201,681,006	6,682,332	2,071,500	206,291,838
Total Cost of Depreciable Capital Assets	<u>222,161,431</u>	<u>7,699,317</u>	<u>2,114,301</u>	<u>227,746,447</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(9,233,622)	(394,119)	-	(9,627,741)
Equipment	(1,280,995)	(236,175)	-	(1,517,170)
Vehicles	(2,064,135)	(217,701)	42,801	(2,239,035)
Infrastructure	(132,847,733)	(4,164,096)	2,071,500	(134,940,329)
Total Accumulated Depreciation	<u>(145,426,485)</u>	<u>(5,012,091)</u>	<u>2,114,301</u>	<u>(148,324,275)</u>
Net Depreciable Assets	<u>76,734,946</u>	<u>2,687,226</u>	<u>-</u>	<u>79,422,172</u>
Capital Assets, Not Depreciated:				
Land	5,433,398	-	-	5,433,398
Rights of Way	57,369,923	-	-	57,369,923
Construction in Progress	21,592,203	14,692,827	5,275,881	31,009,149
Total Capital Assets Not Depreciated, Net	<u>84,395,524</u>	<u>14,692,827</u>	<u>5,275,881</u>	<u>93,812,470</u>
Total Capital Assets, Net	<u>\$ 161,130,470</u>	<u>\$ 17,380,053</u>	<u>\$ 5,275,881</u>	<u>\$ 173,234,642</u>

Depreciation expense was charged in the following function of the Statement of Activities:

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

4) CAPITAL ASSETS – Continued

General Government	\$ 333,473
Public Safety	741,842
Public Works	2,294,827
Community Development	1,459,401
Community Services	182,548
	<hr/>
Total Depreciation Expense	<u>\$ 5,012,091</u>

5) CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long-term liability activity, all of which are funded by the General Fund for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Governmental Activities:						
Net OPEB Obligation	\$ 566,466	\$ -	\$ 566,466	\$ -	\$ -	\$ -
Total OPEB Liability	-	1,632,430	-	1,632,430	-	1,632,430
Net Pension Liability	4,117,708	786,729	-	4,904,437	-	4,904,437
Compensated Absences	344,606	187,939	211,423	321,122	47,319	273,803
Total	<u>\$ 5,028,780</u>	<u>\$ 2,607,098</u>	<u>\$ 777,889</u>	<u>\$ 6,857,989</u>	<u>\$ 47,319</u>	<u>\$ 6,810,670</u>

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation time. The balance of unpaid vacation time which has not matured at June 30, 2018 is recorded as a liability in the statement of net position. The General Fund finances this liability.

6) FIDUCIARY FUND LONG-TERM DEBT

The following is a summary of long-term debt activity for the City's fiduciary fund for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Tax Allocation Bonds:						
1998	\$ 390,000	\$ -	\$ 20,000	\$ 370,000	\$ 25,000	\$ 345,000
2004	1,685,000	-	50,000	1,635,000	45,000	1,590,000
2010	5,420,000	-	105,000	5,315,000	110,000	5,205,000
Unamortized Premium	19,816	-	825	18,991	825	18,166
Total	<u>\$ 7,514,816</u>	<u>\$ -</u>	<u>\$ 175,825</u>	<u>\$ 7,338,991</u>	<u>\$ 180,825</u>	<u>\$ 7,158,166</u>

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

6) FIDUCIARY FUND LONG-TERM DEBT - Continued

1998 Tax Allocation Bonds

In 1998, the Yucaipa Redevelopment Agency issued \$720,000 of 1998 Tax Allocation Bonds. The proceeds were used to finance various improvement projects throughout the Agency. The bonds are payable exclusively from tax revenues allocated to the Agency. The 1998 Bonds consist of \$720,000 of term bonds. The bonds accrue interest at rates between 4.00% and 5.60% and are payable semiannually on March 1 and September 1 of each year commencing September 1, 1998. Principal on the bonds is payable in amounts ranging from \$15,000 to \$50,000 and in annual installments commencing on March 1, 1998 and ending September 1, 2028. Per the bond covenants, the Agency is required to maintain on deposit a reserve fund in an amount equal to \$53,638. At June 30, 2018, the amount held in the reserve account was \$55,296. Future debt service requirements are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2019	\$ 25,000	\$ 19,650	\$ 44,650
2020	25,000	18,288	43,288
2021	25,000	16,912	41,912
2022	30,000	15,400	45,400
2023	30,000	13,750	43,750
2024	30,000	12,100	42,100
2025	30,000	10,450	40,450
2026	35,000	8,662	43,662
2027	45,000	6,463	51,463
2028	45,000	3,987	48,987
2029	50,000	1,375	51,375
Totals	\$ 370,000	\$ 127,037	\$ 497,037

2004 Tax Allocation Bonds

On October 12, 2004, the Yucaipa Redevelopment Agency issued \$2,500,000 of 2004 Tax Allocation Bonds. The proceeds were used to finance various improvement projects throughout the Agency. The bonds are payable exclusively from pledged tax revenues.

The 2004 Bonds consist of \$2,500,000 of term bonds. The bonds accrue interest rates between 2.10% and 5.00% and are payable semiannually on March 1 and September 1 of each year commencing March 1, 2005. Principal on the bonds is payable in amounts ranging from \$30,000 to \$170,000 and is payable in semi-annual installments commencing on March 1, 2005 and ending September 1, 2034. The outstanding balance at June 30, 2018 was \$1,635,000.

Per the bond covenants, the Agency is required to maintain on deposit a reserve fund in an amount equal to \$191,069. At June 30, 2018, the amount held in the reserve account was \$192,183.

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018**

6) FIDUCIARY FUND LONG-TERM DEBT - Continued

Future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 45,000	\$ 77,955	\$ 122,955
2020	50,000	75,970	125,970
2021	50,000	73,820	123,820
2022	50,000	71,633	121,633
2023	50,000	69,407	119,407
2024	55,000	67,011	122,011
2025	60,000	64,329	124,329
2026	85,000	60,900	145,900
2027	85,000	56,862	141,862
2028	90,000	52,650	142,650
2029	90,000	48,263	138,263
2030	145,000	42,534	187,534
2031	150,000	35,250	185,250
2032	155,000	27,625	182,625
2033	160,000	19,750	179,750
2034	170,000	11,500	181,500
2035	145,000	3,625	148,625
Totals	<u>\$ 1,635,000</u>	<u>\$ 859,084</u>	<u>\$ 2,494,084</u>

2010 Tax Allocation Bonds

On November 2, 2010, the Yucaipa Redevelopment Agency issued \$6,030,000 of 2010 Tax Allocation Bonds. The proceeds are to be used to finance various improvement projects throughout the project area and are payable exclusively from pledged tax revenue. The 2010 Tax Allocation Bonds consisted of \$6,030,000 of term bonds. The bonds accrue interest at rates between 4.00% and 5.50% and are payable semiannually on March 1 and September 1 of each year commencing March 1, 2011. Principal on the bonds is payable in amounts ranging from \$85,000 to \$525,000 and is payable in annual installments commencing on September 1, 2011 and ending September 1, 2040. The outstanding balance at June 30, 2018 was \$5,315,000.

Per the bond covenants, the Agency is required to maintain a reserve account in an amount equal to \$522,580. At June 30, 2018, the amount held in the reserve account was \$526,527.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

6) FIDUCIARY FUND LONG-TERM DEBT – Continued

Future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 110,000	\$ 274,070	\$ 384,070
2020	115,000	269,570	384,570
2021	120,000	264,870	384,870
2022	125,000	259,908	384,908
2023	135,000	254,442	389,442
2024	140,000	248,390	388,390
2025	145,000	241,833	386,833
2026	125,000	235,378	360,378
2027	125,000	229,206	354,206
2028	135,000	222,622	357,622
2029	145,000	215,447	360,447
2030	155,000	207,759	362,759
2031	165,000	199,456	364,456
2032	175,000	190,422	365,422
2033	185,000	180,747	365,747
2034	195,000	170,534	365,534
2035	240,000	158,844	398,844
2036	405,000	141,509	546,509
2037	425,000	118,938	543,938
2038	450,000	94,875	544,875
2039	475,000	69,437	544,437
2040	500,000	42,625	542,625
2041	525,000	14,438	539,438
Totals	<u>\$ 5,315,000</u>	<u>\$ 4,305,320</u>	<u>\$ 9,620,320</u>

7) PENSION PLAN

General Information about the Defined Benefit Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City of Yucaipa sponsors 2 rate plans (both are miscellaneous.) Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018**

7) PENSION PLAN - Continued

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2016 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2016 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The Plan’s provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2%	2%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	9.599% + \$180,903	6.908% + \$261

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability and side fund was \$181,164 in fiscal year 2018.

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City’s contributions to the Plan for the year ended June 30, 2018 were \$646,954.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, the City reported a net pension liability for its proportionate shares of the net pension liability of the Plan of \$4,904,437.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

7) PENSION PLAN - Continued

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability as of June 30, 2016, and 2017 was as follows:

Proportion - June 30, 2016	0.04759%
Proportion - June 30, 2017	0.04945%
Change - Increase (Decrease)	0.00186%

For the year ended June 30, 2018, the City recognized pension expense of \$887,974. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 646,954	\$ -
Differences between actual and expected experience	-	96,170
Changes in assumptions	827,097	-
Change in employer's proportion	121,125	-
Differences between employer's contributions and employer's proportionate share of contributions	-	182,215
Net differences between projected and actual earnings on plan investments	202,495	-
Total	<u>\$ 1,797,671</u>	<u>\$ 278,385</u>

\$646,954 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2019	\$ 168,549
2020	517,643
2021	306,365
2022	(120,225)
2023	-
Thereafter	-

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018**

7) PENSION PLAN - Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

7) PENSION PLAN - Continued

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 7,855,831
Current Discount Rate	7.15%
Net Pension Liability	\$ 4,904,437
1% Increase	8.15%
Net Pension Liability	\$ 2,460,039

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2018, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2018.

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018**

8) OTHER POSTEMPLOYMENT BENEFITS

General Information About the OPEB Plan

Plan Description - The City provides the same medical plans to retirees and surviving spouses as to its active employees, with the exception that once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan, with Medicare becoming the primary payer. The plan is a single-employer defined benefit post-employment healthcare benefits plan.

Benefits Provided - Employees are eligible for retiree health benefits if they retire from the City on or after age 50 and 5 years of service (age 52 for Miscellaneous PEPRA employees), and continue health insurance through a City-sponsored health insurance plan, the City will contribute the minimum monthly amount (as required by CalPERS) of the health insurance premium (\$128 and \$133 for the calendar years 2017 and 2018 respectively). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The City's health plan does not issue a publicly available financial report.

Employees Covered by Benefit Terms – As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees	9
currently receiving benefits	44
Active employees	53
	53

Contributions – The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contributions to the Plan are based on the costs to provide the benefits as described above on a pay as you go basis. For the fiscal year ended June 30, 2018, the City's pay-as-you-go costs were \$12,760 and an implicit subsidy of \$6,325.

Total OPEB Liability - The City's total OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the OPEB liability was determined by an alternative measurement method valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	RP-2014 Employee Healthy Annuitant Mortality Tables
Age at Retirement	60
Health Care Trend Rate	6.00% initial, 5.0% ultimate
Inflation Rate	3.00%
Salary Changes	3.00%
Discount Rate	3.13% - Bond Buyer 20-Bond GO index
Medical CPI	3.50% - used to project PERS statutory minimum benefit

Discount Rate – The discount rate used to measure the total OPEB liability was 3.13 percent and is based on the Bond Buyer 20-Bond GO index.

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018**

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2016	\$ 1,505,322
Changes in the year:	
Service cost	99,373
Interest on the total OPEB liability	46,820
Employer Contributions	-
Employee Contributions	-
Benefit payments, including implicit subsidy	(19,085)
Net changes	127,108
Balance at June 30, 2017	\$ 1,632,430

Sensitivity of the Total OPEB Liability to changes in the Discount Rate - The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB liability	\$ 1,869,884	\$ 1,632,430	\$ 1,439,066

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the City, as well as what the City's Net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (5.0% decreasing to 4.0%)	Current Rates (6.0% decreasing to 5.0%)	1% Increase (7.0% decreasing to 6.0%)
Total OPEB liability	\$ 1,416,651	\$ 1,632,430	\$ 1,901,993

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2018, the City recognized OPEB expense of \$146,193. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 19,085	\$ -
Changes of Assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	-
Total	\$ 19,085	\$ -

**City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018**

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

The \$19,085 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2019.

9) SUMMARY DISCLOSURE OF SELF-INSURANCE CONTINGENCIES

The City maintains self-insurance programs for workers' compensation, general and auto liability. Claims are processed by an independent third party claims administrator.

The general and auto liability programs provide for self-insurance up to a maximum of \$50,000 per incident. Claims which exceed the limit are insured by the Public Agency Risk Sharing Authority of California (PARSAC), a joint powers authority of California municipalities, up to a maximum \$15,000,000 per incident.

The membership of PARSAC consists of thirty-seven California cities. The primary purpose of PARSAC is to provide coverage for losses from tort liability, workers' compensation, health benefits, and the ownership or use of real and personal property. A representative from each member city, appointed to the position by their City Council, serves on the Governing Board of the Authority. Each member of the Board has an equal vote in matters concerning the Authority.

The City also participates in PARSAC's workers' compensation program. The program operates as a partially self-insured program, which is combined with joint-purchased commercial excess insurance. Participants' losses are pooled to the programs' self-insured retention of \$250,000 then the commercial excess insurance attaches and provides coverage to statutory limits.

Included in the accrued claims of the Internal Service Fund is an estimated liability for claims filed, as calculated by the City's third party claims administrator, but not paid, in the amount of \$75,000 for general and auto liability claims.

Fiscal Year	Claims Payable Beginning of Year	Additions	Deletions	Claims Payable End of Year
6/30/18	\$ 75,000	\$ 30,522	\$ (30,522)	\$ 75,000
6/30/17	75,000	1,959	(1,959)	75,000
6/30/16	75,000	47,623	(47,623)	75,000

During the past three fiscal years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability covered from coverage in the prior year.

10) DEVELOPMENT IMPACT FEES

The City of Yucaipa collects development impact fees for the construction of new development in accordance with the State Government Code. Normally, the City collects the development impact fees at the time building permits are issued. City policy allows builders to defer fees until the issuance of certificates of occupancy. The City secures the deferral of such fees by putting liens on the properties. The liens are then released when payment of the fees are received. As of June 30, 2018, deferral fees owed to the City for all types of development impact fees totaled approximately \$876,877.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

10) DEVELOPMENT IMPACT FEES - Continued

The City development impact fee ordinances allow for the entering of agreements with developers for the construction of improvements identified to be paid for such fees. Through such agreements, the developer constructs certain public improvements and is given credit for the value of the improvements to offset developer fees due from the developer.

11) COMMUNITY FACILITIES DISTRICT NO. 98-1 OF THE CITY OF YUCAIPA (CHAPMAN HEIGHTS)

During the 1998-99 fiscal year the Community Facilities District No. 98-1 of the City of Yucaipa (Chapman Heights) (CFD) was formed. The District was formed to finance a portion of the costs associated with the construction of certain public facilities including streets, utilities, parks, landscaping and other infrastructure improvements within the Chapman Heights project. These other improvements include improvements to water and sewer facilities, which will be owned and operated by the Yucaipa Valley Water District, and certain storm drainage facilities which will be owned and operated by the San Bernardino County Flood Control District. The City has entered into joint community facilities agreements with the Flood Control District and the Water District whereby proceeds from the sale of Bonds will be used for the acquisition of the facilities as discussed above.

On March 9, 1999 the CFD issued \$17,500,000 of bonds for the purpose of constructing infrastructure as discussed above. The 1998 Special Tax Bonds are authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, and are payable from certain special taxes to be levied on property within CFD 98-1 (Chapman Heights) of the City of Yucaipa, according to the Rate and Method of Apportionment of Special Tax approved by the voters within the district and by the City Council of the City. In June 2002, the CFD issued an additional \$5,800,000 in bonds. In July 2003, the CFD issued an additional \$6,700,000 in bonds.

In November 2011, the City issued \$28 million in Special Tax Refunding Bonds, to refund the 1999, 2002 and 2003 CFD Bonds. The principal balance outstanding on the 2011 Refunding Bonds, as of June 30, 2018, is \$20,760,000.

Neither the faith and credit nor the taxing power of the City, the County of San Bernardino, the State of California or any political subdivision thereof is pledged to the payment of the bonds. Except for the special taxes, no other taxes are pledged to the payment of the bonds. The bonds are not general obligations of the City or County or general obligations of the District, but are limited obligations of the District payable solely from the special taxes as described in the official bond documents.

12) COMMITMENTS AND CONTINGENCIES

The City has contracts with the County of San Bernardino for various services, most notably law enforcement. These service contracts are renegotiated annually and cancelable by the City or the County. These are based on an hourly rate and may be adjusted throughout the fiscal year.

The City is involved as a defendant in various legal proceedings. While it is not feasible to predict or determine the outcome in these cases, it is the opinion of the City that the outcome will have no material adverse effect on the financial position of the City.

The City has received State and Federal funds that are subject to review and audit by the grantor agencies. Such audits could generate expenditure disallowances under terms of the grants; however, it is believed that any such reimbursements will not be significant.

Remaining commitments on construction contracts at year-end were \$13,766,716.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

13) FUND BALANCE

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* as of June 30, 2011. Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the City Council by ordinance to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council action utilizing the same type of action that was originally used.

The City's committed fund balance includes:

- **General Fund Emergency Operating Contingency:**
Fund balance in the General Fund has been committed for emergency contingencies, as set by resolution, and is specifically for severe economic emergencies defined as a state or federal state of emergency, or declaration of a local emergency as defined in the City of Yucaipa Municipal Code Section 8.36.030.
- **Economic Stabilization Contingency:**
Fund balance in the General Fund has been committed for economic stabilization contingencies, set by resolution in the amount of \$1,000,000, and is available specifically for use in an event of severe fiscal hardship or instability, defined as any fiscal year in which actual General Fund revenue is at least 30% less than budgeted General Fund revenue.

Assigned Fund Balance - Amounts that are constrained by the City Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed. The City's fund balance policy delegates the authority to assign amounts to be used for specific purposes to the City Manager, or his designee.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

13) FUND BALANCE – Continued

The City's governmental fund balances at June 30, 2018, are presented below:

	General Fund	Fire Fund	Developer Fees Public Facilities Fund	Facilities Construction Fund	Traffic Facilities Fund	Low Water Crossings Fund	Non-major Governmental Funds	Total
Nonspendable:								
Advances to Other Funds	\$20,416,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$20,416,604
Restricted for:								
Capital Projects	-	-	-	-	-	-	845,860	845,860
Housing	-	-	-	-	-	-	50,095	50,095
Public Works/Street Projects	-	-	-	-	2,719,607	-	1,795,685	4,515,292
Public Safety	180,647	-	-	-	-	-	1,147,116	1,327,763
LLMD	-	-	-	-	-	-	2,158,024	2,158,024
Community Services/Education	11,750	-	-	-	-	-	1,831,049	1,842,799
Committed to:								
Emergency Contingency	5,904,216	-	-	-	-	-	-	5,904,216
Economic Stabilization	1,000,000	-	-	-	-	-	-	1,000,000
OPEB	559,190	-	-	-	-	-	-	559,190
Fire Protection	-	11,820,420	-	-	-	-	-	11,820,420
Assigned to:								
Capital Projects	56,281	-	-	5,777,260	-	-	-	5,833,541
Solid Waste Disposal	96	-	-	-	-	-	-	96
Continuing Appropriations	3,408,701	-	-	-	-	-	-	3,408,701
Economic Development Initiative	220,000	-	-	-	-	-	-	220,000
Other Purposes	334,097	-	-	-	-	-	-	334,097
Unassigned	5,567,230	-	(15,551,282)	-	-	(3,728,172)	(8,256,534)	(21,968,758)
Total Fund Balances	\$37,658,812	\$11,820,420	\$(15,551,282)	\$ 5,777,260	\$ 2,719,607	\$(3,728,172)	\$(428,705)	\$38,267,940

14) ACCUMULATED FUND DEFICITS

At June 30, 2018, the following funds had deficit fund balances:

Major Funds - Capital Projects:	
Developer Fees Public Facilities	\$ (15,551,282)
Low Water Crossings Fund	(3,728,172)
Non-major Funds	
Miscellaneous Capital Projects	(966,510)
CDBG Capital	(614,324)
Developer Fees Drainage	(2,865,508)
Developer Impact Fees Parks Fund	(1,749,593)
Developer Fees Fire Fund	(2,060,599)

Management's explanations for the resolution of accumulated fund deficits in the funds are summarized as follows:

City of Yucaipa
Notes to Financial Statements
Year Ended June 30, 2018

14) ACCUMULATED FUND DEFICITS - Continued

Developer Impact Fees Public Facilities Fund - The deficit fund balance of \$15,551,282 is the result of advances made from the General Fund for the construction of various public facilities. These include the City Hall, Police Station, and the Yucaipa Performing Arts Center. The deficit fund balance will be offset by future development impact fee revenues as they are collected. The advances in the General Fund are included as nonspendable fund balance due to the long-term nature of these receivables.

Low Water Crossings Fund - The deficit fund balance of \$3,728,172 is the result of accumulated expenditures in excess of revenues, funded by short-term interfund loans made from the General Fund. The deficit fund balance will be offset by completion of several ongoing projects and by the receipt of resources from grant obligations.

Developer Fees Drainage Fund - The deficit fund balance of \$2,865,508 is the result of advances and short-term loans made from the General Fund. Advances made to this fund were for the construction of regional drainage projects. The deficit fund balance will be offset by future development impact fee revenues, as they are collected and by the receipt of resources from grant obligations. The advances made by the General Fund are included as nonspendable fund balance due to the long-term nature of these receivables.

Developer Impact Fees Parks Fund - The deficit fund balance of \$1,749,593 is the result of accumulated expenditures in excess of revenues, funded by advances made from the General Fund for the construction of Community Park. The deficit fund balance will be offset by future development impact fee revenues, as they are collected. The advances in the General Fund are included as nonspendable fund balance due to the long-term nature of these receivables.

Developer Fees Fire Fund - The deficit fund balance of \$2,060,599 is the result of accumulated expenditures in excess of revenues, funded by advances made from the Fire Fund for the construction of Fire Station #3. The deficit fund balance will be offset by future development impact fee revenues, as they are collected. The advances in the Fire Fund are included as restricted fund balance due to the long-term nature of these receivables.

15) RESTATEMENT OF NET POSITION

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, in fiscal year 2017-18. As a result, the beginning net position in the Statement of Activities was reduced by \$938,856.

REQUIRED SUPPLEMENTARY INFORMATION

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property Taxes	\$ 6,827,072	\$ 6,827,072	\$ 6,929,814	\$ 102,742
Sales and Use Taxes	3,556,000	3,556,000	3,491,965	(64,035)
Franchise Taxes	1,291,276	1,291,276	1,297,052	5,776
Documentary Transfer Tax	165,000	195,000	196,525	1,525
Other Taxes	22,100	22,100	22,529	429
Licenses and Permits	628,818	628,818	563,075	(65,743)
Fines and Forfeitures	23,000	23,000	20,460	(2,540)
Charges for Services	1,549,096	1,599,096	1,939,888	340,792
Intergovernmental	4,872,613	4,986,077	5,181,253	195,176
Investment Income	271,000	271,000	52,983	(218,017)
Other	106,000	106,000	150,942	44,942
Total Revenues	<u>19,311,975</u>	<u>19,505,439</u>	<u>19,846,486</u>	<u>341,047</u>
EXPENDITURES				
Current:				
General Government:				
City Manager	984,167	984,167	671,641	312,526
City Council	75,935	75,935	68,829	7,106
General Services/City Clerk	490,970	490,970	467,418	23,552
Administrative Services	1,217,309	1,217,309	1,024,506	192,803
Non-departmental	1,454,236	1,454,236	947,203	507,033
Community Development	939,428	939,428	796,652	142,776
Building and Safety	403,384	403,384	387,227	16,157
Public Works	3,436,491	3,436,491	2,518,551	917,940
Public Safety:				
Police Services	9,109,600	9,109,600	9,090,164	19,436
Community Services	1,915,701	2,050,701	1,816,440	234,261
Capital Outlay	461,300	506,300	409,429	96,871
Total Expenditures	<u>20,488,521</u>	<u>20,668,521</u>	<u>18,198,060</u>	<u>2,470,461</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,176,546)</u>	<u>(1,163,082)</u>	<u>1,648,426</u>	<u>2,811,508</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,178,611	1,178,611	1,181,465	2,854
Transfers Out			(1,471,534)	(1,471,534)
Total Other Financing Sources (Uses)	<u>1,178,611</u>	<u>1,178,611</u>	<u>(290,069)</u>	<u>(1,468,680)</u>
Net Change in Fund Balances	2,065	15,529	1,358,357	1,342,828
Fund Balances, Beginning of Year	<u>36,300,455</u>	<u>36,300,455</u>	<u>36,300,455</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 36,302,520</u>	<u>\$ 36,315,984</u>	<u>\$ 37,658,812</u>	<u>\$ 1,342,828</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Fire Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes - Fire	\$ 3,623,996	\$ 3,623,996	\$ 3,604,959	\$ (19,037)
Charges for Services	40,000	40,000	77,677	37,677
Intergovernmental				-
Investment Income	60,000	60,000	31,280	(28,720)
Other	5,000	44,634	160,284	115,650
Total Revenues	<u>3,728,996</u>	<u>3,768,630</u>	<u>3,874,200</u>	<u>105,570</u>
EXPENDITURES				
Current:				
Fire Protection Services	3,597,929	3,684,063	3,097,650	586,413
Capital Outlay	39,000		767,210	(767,210)
Total Expenditures	<u>3,636,929</u>	<u>3,684,063</u>	<u>3,864,860</u>	<u>(180,797)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>92,067</u>	<u>84,567</u>	<u>9,340</u>	<u>(75,227)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	92,067	84,567	9,340	(75,227)
Fund Balances, Beginning of Year	<u>11,811,080</u>	<u>11,811,080</u>	<u>11,811,080</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 11,903,147</u>	<u>\$ 11,895,647</u>	<u>\$ 11,820,420</u>	<u>\$ (75,227)</u>

**City of Yucaipa
Required Supplementary Information
Year Ended June 30, 2018**

**CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Years***

	Measurement Period
	2017
Total OPEB Liability	
Service cost	\$ 99,373
Interest on total OPEB liability	46,820
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including implicit subsidy	(19,085)
Net change in total OPEB liability	127,108
Total OPEB liability - beginning	1,505,322
Total OPEB liability - ending	\$ 1,632,430
Covered payroll	\$ 3,496,726
Total OPEB liability as a percentage of covered payroll	46.68%

*Fiscal year 2018 was the first year of implementation; therefore, not all 10 years of information is available.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

Benefit Changes: None

Changes in Assumptions: None

**City of Yucaipa
Required Supplementary Information
Year Ended June 30, 2018**

**Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Years***

<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a % of Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
2017	0.04945%	\$ 4,904,437	\$ 3,496,726	140.26%	77.14%
2016	0.04759%	4,117,708	3,362,231	122.47%	78.21%
2015	0.04376%	3,003,608	3,081,312	97.48%	83.14%
2014	0.04583%	2,851,533	2,970,681	95.99%	75.28%

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%.

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information are available.

**City of Yucaipa
Required Supplementary Information
Year Ended June 30, 2018**

**Schedule of Plan Contributions
Last 10 Years***

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 502,982	\$ (646,954)	\$ (143,972)	\$ 3,643,825	17.75%
2017	451,203	(451,203)	-	3,496,726	12.90%
2016	416,057	(416,057)	-	3,362,231	12.37%
2015	553,517	(553,517)	-	3,081,312	17.96%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2013, 6/30/2014, 6/30/2015, 6/30/2016

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information are available.

City of Yucaipa
Notes to Required Supplementary Information
Year Ended June 30, 2018

1. Budgetary Control and Accounting

The City Council approves each year's budget submitted by the City Manager and Assistant City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. All supplemental appropriations, where required during the period, are also approved by the Council. Intradepartmental budget transfers are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the departmental level within the general fund and at the fund level for other funds. At fiscal year-end, all operating budget appropriations lapse.

Budgets were not adopted for the PEG Video Special Revenue Fund, Pool Capital Replacement Capital Projects Fund, Street Maintenance Capital Projects Fund, I-10 Specific Plan Capital Projects Fund, Low Water Crossings Capital Projects Fund and the Facilities Construction Capital Projects Fund.

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Expenditures in excess of appropriations were as follows:

- Fire Special Revenue Fund: Total expenditures exceeded appropriations by the amount of approximately \$180,797. In FY 17/18 the City expended funds for the acquisition of a fire engine, the encumbrance of which was approved by City Council in previous years.

SUPPLEMENTARY INFORMATION

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Developer Fees Public Facilities Capital Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 103,012	\$ 103,012	\$ 63,634	\$ (39,378)
Investment Income			3,725	3,725
Other			11,266	11,266
Total Revenues	<u>103,012</u>	<u>103,012</u>	<u>78,625</u>	<u>(24,387)</u>
EXPENDITURES				
Current:				
Public Works				-
Capital Outlay	<u>16,445,000</u>	<u>16,445,000</u>	<u>111,600</u>	<u>16,333,400</u>
Total Expenditures	<u>16,445,000</u>	<u>16,445,000</u>	<u>111,600</u>	<u>16,333,400</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(16,341,988)</u>	<u>(16,341,988)</u>	<u>(32,975)</u>	<u>16,309,013</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out			<u>(217,803)</u>	<u>(217,803)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(217,803)</u>	<u>(217,803)</u>
Net Change in Fund Balance	(16,341,988)	(16,341,988)	(250,778)	16,091,210
Fund Balance (Deficit), Beginning of Year	<u>(15,300,504)</u>	<u>(15,300,504)</u>	<u>(15,300,504)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (31,642,492)</u>	<u>\$ (31,642,492)</u>	<u>\$ (15,551,282)</u>	<u>\$ 16,091,210</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Traffic Facilities Fees Capital Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 394,285	\$ 394,285	\$ 244,234	\$ (150,051)
Intergovernmental			300,603	300,603
Investment Income			21,233	21,233
Other Income				-
	<hr/>		<hr/>	
Total Revenues	394,285	394,285	566,070	171,785
<hr/>				
EXPENDITURES				
Current:				
Public Works				-
Capital Outlay	774,000	774,000	2,905,343	(2,131,343)
	<hr/>		<hr/>	
Total Expenditures	774,000	774,000	2,905,343	(2,131,343)
<hr/>				
Excess (Deficiency) of Revenues over Expenditures	(379,715)	(379,715)	(2,339,273)	(1,959,558)
<hr/>				
OTHER FINANCING SOURCES (USES)				
Transfers In			1,507,685	1,507,685
Transfers Out				-
	<hr/>		<hr/>	
Total Other Financing Sources (Uses)	-	-	1,507,685	1,507,685
<hr/>				
Net Change in Fund Balances	(379,715)	(379,715)	(831,588)	(451,873)
<hr/>				
Fund Balance (Deficit), Beginning of Year	3,551,195	3,551,195	3,551,195	-
<hr/>				
Fund Balance (Deficit), End of Year	<u>\$ 3,171,480</u>	<u>3,171,480</u>	<u>\$ 2,719,607</u>	<u>\$ (451,873)</u>

NON-MAJOR GOVERNMENTAL FUNDS

**City of Yucaipa
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2018**

	Special Revenue			
	Miscellaneous Special Revenue	State Gas Tax	Measure I Maintenance	Energy Independence Program
ASSETS				
Cash and Investments	\$ 276,599	\$	\$ 1,229,592	\$ 32,232
Restricted Cash and Investments				
Receivables:				
Interest	1,643	591	2,460	
Due From Other Governments	22,642	119,777	233,214	
Accounts				
Advances to Other Funds	1,037,430			
Total Assets	<u>\$ 1,338,314</u>	<u>\$ 120,368</u>	<u>\$ 1,465,266</u>	<u>\$ 32,232</u>
LIABILITIES				
Accounts Payable & Accrued Liabilities	\$ 60,951	\$ 37,147	\$	\$
Deposits Payable				
Due to Other Funds		80,546		
Advances From Other Funds				
Total Liabilities	<u>60,951</u>	<u>117,693</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	1,277,363	2,675	1,465,266	32,232
Assigned				
Unassigned				
Total Fund Balances	<u>1,277,363</u>	<u>2,675</u>	<u>1,465,266</u>	<u>32,232</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,338,314</u>	<u>\$ 120,368</u>	<u>\$ 1,465,266</u>	<u>\$ 32,232</u>

Special Revenue						Capital Projects
State COPs Grant	Office of Traffic and Safety	LLMD	Housing Authority	Paramedic	PEG Video	Miscellaneous Capital Projects
\$ 376,242	\$ 118,449	\$ 2,224,079	\$ 55,069	\$ 576,770	\$ 499,158	\$ 126,113 1,100
416	108 150	5,782		895 100,856	541 21,755	121
<u>\$ 376,658</u>	<u>\$ 118,707</u>	<u>\$ 2,229,861</u>	<u>\$ 55,069</u>	<u>\$ 678,521</u>	<u>\$ 521,454</u>	<u>\$ 127,334</u>
\$ 26,543	\$	\$ 71,837	\$ 4,974	\$ 227	\$	\$ 5,320 1,100 761,000 326,424
<u>26,543</u>	<u>-</u>	<u>71,837</u>	<u>4,974</u>	<u>227</u>	<u>-</u>	<u>1,093,844</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
350,115	118,707	2,158,024	50,095	678,294	521,454	(966,510)
<u>350,115</u>	<u>118,707</u>	<u>2,158,024</u>	<u>50,095</u>	<u>678,294</u>	<u>521,454</u>	<u>(966,510)</u>
<u>\$ 376,658</u>	<u>\$ 118,707</u>	<u>\$ 2,229,861</u>	<u>\$ 55,069</u>	<u>\$ 678,521</u>	<u>\$ 521,454</u>	<u>\$ 127,334</u>

Continued

City of Yucaipa
Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2018

	Capital Projects			
	CDBG Capital	Developer Fees Drainage	Air Quality Improvement	Pool Capital Replacement
ASSETS				
Cash and Investments	\$	\$	\$ 836,111	\$ 306
Restricted Cash and Investments				
Receivables:				
Interest			709	
Due From Other Governments	1,069,808	1,334,264	17,885	
Accounts				
Advances to Other Funds				
Total Assets	<u>\$ 1,069,808</u>	<u>\$ 1,334,264</u>	<u>\$ 854,705</u>	<u>\$ 306</u>
LIABILITIES				
Accounts Payable	\$ 292,105	\$ 299,818	\$ 9,151	\$
Deposits Payable				
Due to Other Funds	626,617	1,358,290		
Advances From Other Funds		1,207,400		
Total Liabilities	<u>918,722</u>	<u>2,865,508</u>	<u>9,151</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	765,410	1,334,264		
Total Deferred Inflows of Resources	<u>765,410</u>	<u>1,334,264</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted			845,554	306
Assigned				
Unassigned	(614,324)	(2,865,508)		
Total Fund Balances	<u>(614,324)</u>	<u>(2,865,508)</u>	<u>845,554</u>	<u>306</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,069,808</u>	<u>\$ 1,334,264</u>	<u>\$ 854,705</u>	<u>\$ 306</u>

Capital Projects				
Street Maintenance	I-10 Specific Plan	Developer Impact Fees Parks	Developer Impact Fees Fire	Total Nonmajor Governmental Funds
\$ 467,243	\$ 60,204	\$ 189,717	\$ 270,089	\$ 7,337,973 1,100
84,795	67	701 451,356	326	8,578 3,462,284 -
				1,037,430
<u>\$ 552,038</u>	<u>\$ 60,271</u>	<u>\$ 641,774</u>	<u>\$ 270,415</u>	<u>\$ 11,847,365</u>
\$ 284,565	\$	\$ 9,317	\$	\$ 1,101,955 1,100 2,826,453
		2,382,050	2,331,014	6,246,888
<u>284,565</u>	<u>-</u>	<u>2,391,367</u>	<u>2,331,014</u>	<u>10,176,396</u>
				2,099,674
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,099,674</u>
267,473	60,271			7,827,829 -
		(1,749,593)	(2,060,599)	(8,256,534)
<u>267,473</u>	<u>60,271</u>	<u>(1,749,593)</u>	<u>(2,060,599)</u>	<u>(428,705)</u>
<u>\$ 552,038</u>	<u>\$ 60,271</u>	<u>\$ 641,774</u>	<u>\$ 270,415</u>	<u>\$ 11,847,365</u>

City of Yucaipa
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2018

	Special Revenue			
	Miscellaneous Special Revenue	State Gas Tax	Measure I Maintenance	Energy Independence Program
REVENUES				
Taxes:				
Property Taxes	\$	\$	\$	\$
Franchise Taxes				
Fines & Forfeitures	22,339			
Charges for Services	68,640			
Intergovernmental	29,939	1,467,029	950,305	
Investment Income	4,553		2,231	334,441
Other	39,375	29,532		
	<u>164,846</u>	<u>1,496,561</u>	<u>952,536</u>	<u>334,441</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	116,984			
Community Development				
Public Works	30,510	850,483		
Public Safety				
Fire Protection Services				
Paramedic Services				
Community Services				
Capital Outlay		45,818	45,821	
	<u>147,494</u>	<u>896,301</u>	<u>45,821</u>	<u>-</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>17,352</u>	<u>600,260</u>	<u>906,715</u>	<u>334,441</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	<u>(250,000)</u>	<u>(778,186)</u>	<u>(1,012,460)</u>	<u>(317,458)</u>
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(778,186)</u>	<u>(1,012,460)</u>	<u>(317,458)</u>
Net Change in Fund Balances	(232,648)	(177,926)	(105,745)	16,983
Fund Balances (Deficit), Beginning of Year	<u>1,510,011</u>	<u>180,601</u>	<u>1,571,011</u>	<u>15,249</u>
Fund Balances (Deficit), End of Year	<u>\$ 1,277,363</u>	<u>\$ 2,675</u>	<u>\$ 1,465,266</u>	<u>\$ 32,232</u>

State COPs Grant	Special Revenue					Capital Projects
	Office of Traffic and Safety	LLMD	Housing Authority	Paramedic	PEG Video	Miscellaneous Capital Projects
\$	\$	\$	\$	\$ 1,081,692	\$	\$
	4,625	537,971			84,675	22,705
139,490	353			7,014		8,865
141						
<u>139,631</u>	<u>4,978</u>	<u>537,971</u>	<u>-</u>	<u>1,088,706</u>	<u>84,675</u>	<u>31,570</u>
			43,645			65,318
37,491		441,144				
				1,486,067		
<u>37,491</u>	<u>-</u>	<u>441,144</u>	<u>43,645</u>	<u>1,486,067</u>	<u>-</u>	<u>65,318</u>
102,140	4,978	96,827	(43,645)	(397,361)	84,675	(33,748)
						(326,424)
-	-	-	-	-	-	(326,424)
102,140	4,978	96,827	(43,645)	(397,361)	84,675	(360,172)
247,975	113,729	2,061,197	93,740	1,075,655	436,779	(606,338)
<u>\$ 350,115</u>	<u>\$ 118,707</u>	<u>\$ 2,158,024</u>	<u>\$ 50,095</u>	<u>\$ 678,294</u>	<u>\$ 521,454</u>	<u>\$ (966,510)</u>

Continued

City of Yucaipa
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
Year Ended June 30, 2018

	Capital Projects			
	CDBG Capital	Developer Fees Drainage	Air Quality Improvement	Pool Capital Replacement
REVENUES				
Taxes:				
Property Taxes	\$	\$	\$	\$
Franchise Taxes				
Fines & Forfeitures				
Charges for Services		158,899		
Intergovernmental	731,243	634	69,615	
Investment Income			2,076	
Other				
Total Revenues	731,243	159,533	71,691	-
EXPENDITURES				
Current:				
General Government				
Community Development				
Public Works	59,062			
Public Safety				
Fire Protection Services				
Paramedic Services				
Community Services	12,500			
Capital Outlay	1,205,113	816,785	82,494	16,800
Total Expenditures	1,276,675	816,785	82,494	16,800
Excess (Deficiency) of Revenues over Expenditures	(545,432)	(657,252)	(10,803)	(16,800)
OTHER FINANCING SOURCES (USES)				
Transfers In		120,804	365,000	4,000
Transfers Out		(260,000)	(154,454)	
Total Other Financing Sources (Uses)	-	(139,196)	210,546	4,000
Net Change in Fund Balances	(545,432)	(796,448)	199,743	(12,800)
Fund Balances (Deficit), Beginning of Year	(68,892)	(2,069,060)	645,811	13,106
Fund Balances (Deficit), End of Year	<u>\$ (614,324)</u>	<u>\$ (2,865,508)</u>	<u>\$ 845,554</u>	<u>\$ 306</u>

Capital Projects				
Street Maintenance	I-10 Specific Plan	Developer Impact Fees Parks	Developer Impact Fees Fire	Total Nonmajor Governmental Funds
\$	\$	\$	\$	\$ 1,081,692
				84,675
				22,339
		194,740	24,711	1,012,291
84,795		352,072		3,825,122
6,651	197	2,409	802	369,733
				68,907
<u>91,446</u>	<u>197</u>	<u>549,221</u>	<u>25,513</u>	<u>6,464,759</u>
				225,947
				-
				1,381,199
				37,491
				-
				1,486,067
				12,500
<u>2,093,333</u>		<u>416,686</u>	<u>2,685</u>	<u>4,725,535</u>
<u>2,093,333</u>	<u>-</u>	<u>416,686</u>	<u>2,685</u>	<u>7,868,739</u>
<u>(2,001,887)</u>	<u>197</u>	<u>132,535</u>	<u>22,828</u>	<u>(1,403,980)</u>
2,343,594		315,563		3,148,961
(1,399,174)		(780,000)		(5,278,156)
<u>944,420</u>	<u>-</u>	<u>(464,437)</u>	<u>-</u>	<u>(2,129,195)</u>
(1,057,467)	197	(331,902)	22,828	(3,533,175)
<u>1,324,940</u>	<u>60,074</u>	<u>(1,417,691)</u>	<u>(2,083,427)</u>	<u>3,104,470</u>
<u>\$ 267,473</u>	<u>\$ 60,271</u>	<u>\$ (1,749,593)</u>	<u>\$ (2,060,599)</u>	<u>\$ (428,705)</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Miscellaneous Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$	\$	\$	\$ -
Fines and Forfeits	60,000	60,000	22,339	(37,661)
Charges for Services	69,000	69,000	68,640	(360)
Intergovernmental	14,000	14,000	29,939	15,939
Investment Income			4,553	4,553
Other	28,000	28,000	39,375	11,375
Total Revenues	<u>171,000</u>	<u>171,000</u>	<u>164,846</u>	<u>(6,154)</u>
EXPENDITURES				
Current:				
General Government	94,920	94,920	116,984	(22,064)
Community Development				-
Public Works	33,000	33,000	30,510	2,490
Public Safety				-
Capital Outlay				-
Total Expenditures	<u>127,920</u>	<u>127,920</u>	<u>147,494</u>	<u>(19,574)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>43,080</u>	<u>43,080</u>	<u>17,352</u>	<u>(25,728)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(16,500)</u>	<u>(16,500)</u>	<u>(250,000)</u>	<u>(233,500)</u>
Total Other Financing Sources (Uses)	<u>(16,500)</u>	<u>(16,500)</u>	<u>(250,000)</u>	<u>(233,500)</u>
Net Change in Fund Balance	26,580	26,580	(232,648)	(259,228)
Fund Balance (Deficit), Beginning of Year	<u>1,510,011</u>	<u>1,510,011</u>	<u>1,510,011</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,536,591</u>	<u>\$ 1,536,591</u>	<u>\$ 1,277,363</u>	<u>\$ (259,228)</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - State Gas Tax Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,504,450	\$ 1,504,450	\$ 1,467,029	\$ (37,421)
Investment Income	1,600	1,600		(1,600)
Other	10,000	10,000	29,532	19,532
Total Revenues	<u>1,516,050</u>	<u>1,516,050</u>	<u>1,496,561</u>	<u>(19,489)</u>
EXPENDITURES				
Current:				
Public Works	930,662	930,662	850,483	80,179
Capital Outlay	<u>525,000</u>	<u>525,000</u>	<u>45,818</u>	<u>479,182</u>
Total Expenditures	<u>1,455,662</u>	<u>1,455,662</u>	<u>896,301</u>	<u>559,361</u>
Excess (Deficiency) of Revenues over Expenditures	<u>60,388</u>	<u>60,388</u>	<u>600,260</u>	<u>539,872</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(57,000)</u>	<u>(57,000)</u>	<u>(778,186)</u>	<u>(721,186)</u>
Total Other Financing Sources (Uses)	<u>(57,000)</u>	<u>(57,000)</u>	<u>(778,186)</u>	<u>(721,186)</u>
Net Change in Fund Balance	3,388	3,388	(177,926)	(181,314)
Fund Balance (Deficit), Beginning of Year	<u>180,601</u>	<u>180,601</u>	<u>180,601</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ 183,989</u></u>	<u><u>\$ 183,989</u></u>	<u><u>\$ 2,675</u></u>	<u><u>\$ (181,314)</u></u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure I Maintenance Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 700,000	\$ 700,000	\$ 950,305	\$ 250,305
Investment Income	100	100	2,231	2,131
Total Revenues	<u>700,100</u>	<u>700,100</u>	<u>952,536</u>	<u>252,436</u>
EXPENDITURES				
Current:				
Public Works				-
Capital Outlay			45,821	(45,821)
Total Expenditures	<u>-</u>	<u>-</u>	<u>45,821</u>	<u>(45,821)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>700,100</u>	<u>700,100</u>	<u>906,715</u>	<u>206,615</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(700,000)</u>	<u>(700,000)</u>	<u>(1,012,460)</u>	<u>(312,460)</u>
Total Other Financing Sources (Uses)	<u>(700,000)</u>	<u>(700,000)</u>	<u>(1,012,460)</u>	<u>(312,460)</u>
Net Change in Fund Balance	100	100	(105,745)	(105,845)
Fund Balance (Deficit), Beginning of Year	<u>1,571,011</u>	<u>1,571,011</u>	<u>1,571,011</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ 1,571,111</u></u>	<u><u>\$ 1,571,111</u></u>	<u><u>\$ 1,465,266</u></u>	<u><u>\$ (105,845)</u></u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Energy Independence Program Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$	\$	\$	\$ -
Investment Income	85,000	85,000	334,441	249,441
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>334,441</u>	<u>249,441</u>
EXPENDITURES				
Current:				
General Government				-
Capital Outlay				-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>85,000</u>	<u>85,000</u>	<u>334,441</u>	<u>249,441</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(85,000)</u>	<u>(85,000)</u>	<u>(317,458)</u>	<u>(232,458)</u>
Total Other Financing Sources (Uses)	<u>(85,000)</u>	<u>(85,000)</u>	<u>(317,458)</u>	<u>(232,458)</u>
Net Change in Fund Balance	-	-	16,983	16,983
Fund Balance, Beginning of Year	<u>15,249</u>	<u>15,249</u>	<u>15,249</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 15,249</u>	<u>\$ 15,249</u>	<u>\$ 32,232</u>	<u>\$ 16,983</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - State COPs Grant Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 139,490	\$ 39,490
Investment Income			141	141
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>139,631</u>	<u>39,631</u>
EXPENDITURES				
Current:				
Public Safety	100,000	100,000	37,491	62,509
Capital Outlay				-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>37,491</u>	<u>62,509</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>102,140</u>	<u>102,140</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	102,140	102,140
Fund Balance, Beginning of Year	<u>247,975</u>	<u>247,975</u>	<u>247,975</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 247,975</u></u>	<u><u>\$ 247,975</u></u>	<u><u>\$ 350,115</u></u>	<u><u>\$ 102,140</u></u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Office of Traffic and Safety Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$	\$	\$ 4,625	\$ 4,625
Intergovernmental	75,000	75,000		(75,000)
Investment Income			353	353
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>4,978</u>	<u>(70,022)</u>
EXPENDITURES				
Current:				
Public Safety	<u>75,000</u>	<u>75,000</u>		<u>75,000</u>
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>4,978</u>	<u>4,978</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	4,978	4,978
Fund Balance (Deficit), Beginning of Year	<u>113,729</u>	<u>113,729</u>	<u>113,729</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 113,729</u>	<u>\$ 113,729</u>	<u>\$ 118,707</u>	<u>\$ 4,978</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - LLMD Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 752,043	\$ 752,043	\$ 537,971	\$ (214,072)
Total Revenues	752,043	752,043	537,971	(214,072)
EXPENDITURES				
Current:				
Public Works	752,043	752,043	441,144	310,899
Capital Outlay				-
Total Expenditures	752,043	752,043	441,144	310,899
Excess (Deficiency) of Revenues over Expenditures	-	-	96,827	96,827
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	96,827	96,827
Fund Balance (Deficit), Beginning of Year	2,061,197	2,061,197	2,061,197	-
Fund Balance (Deficit), End of Year	<u>\$ 2,061,197</u>	<u>\$ 2,061,197</u>	<u>\$ 2,158,024</u>	<u>\$ 96,827</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Housing Authority Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$	\$	\$	\$ -
Investment Income				-
Other	197,928	197,928		(197,928)
Total Revenues	197,928	197,928	-	(197,928)
EXPENDITURES				
Current:				
Community Development	149,803	149,803	43,645	106,158
Total Expenditures	149,803	149,803	43,645	106,158
Excess (Deficiency) of Revenues over Expenditures	48,125	48,125	(43,645)	(91,770)
OTHER FINANCING SOURCES (USES)				
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	48,125	48,125	(43,645)	(91,770)
Fund Balance, Beginning of Year	93,740	93,740	93,740	-
Fund Balance (Deficit), End of Year	\$ 141,865	\$ 141,865	\$ 50,095	\$ (91,770)

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Paramedic Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,077,500	\$ 1,077,500	\$ 1,081,692	\$ 4,192
Investment Income			7,014	7,014
Total Revenues	<u>1,077,500</u>	<u>1,077,500</u>	<u>1,088,706</u>	<u>11,206</u>
EXPENDITURES				
Current:				
Paramedic Services	<u>1,391,331</u>	<u>1,391,331</u>	<u>1,486,067</u>	<u>(94,736)</u>
Total Expenditures	<u>1,391,331</u>	<u>1,391,331</u>	<u>1,486,067</u>	<u>(94,736)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(313,831)</u>	<u>(313,831)</u>	<u>(397,361)</u>	<u>(83,530)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>250,000</u>			<u>-</u>
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(63,831)	(313,831)	(397,361)	(83,530)
Fund Balance, Beginning of Year	<u>1,075,655</u>	<u>1,075,655</u>	<u>1,075,655</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,011,824</u>	<u>\$ 761,824</u>	<u>\$ 678,294</u>	<u>\$ (83,530)</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Miscellaneous Capital Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 25,000	\$ 25,000	\$	\$ (25,000)
Investment Income	38,000	38,000	8,865	(29,135)
Charges for Services			22,705	22,705
	<u>63,000</u>	<u>63,000</u>	<u>31,570</u>	<u>(31,430)</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	66,000	38,000	65,318	(27,318)
Public Works	25,000	25,000		25,000
	<u>25,000</u>	<u>63,000</u>	<u>65,318</u>	<u>(2,318)</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>38,000</u>	<u>-</u>	<u>(33,748)</u>	<u>(33,748)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out			(326,424)	(326,424)
	<u>-</u>	<u>-</u>	<u>(326,424)</u>	<u>(326,424)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	38,000	-	(360,172)	(360,172)
Fund Balance (Deficit), Beginning of Year	<u>(606,338)</u>	<u>(606,338)</u>	<u>(606,338)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ (568,338)</u></u>	<u><u>\$ (606,338)</u></u>	<u><u>\$ (966,510)</u></u>	<u><u>\$ (360,172)</u></u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CDBG Capital Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 284,508	\$ 35,176	\$ 731,243	\$ 696,067
Total Revenues	<u>284,508</u>	<u>35,176</u>	<u>731,243</u>	<u>696,067</u>
EXPENDITURES				
Current:				
Public Works	35,176	35,176	59,062	(23,886)
Community Services	7,500		12,500	(12,500)
Capital Outlay	<u>241,832</u>		<u>1,205,113</u>	<u>(1,205,113)</u>
Total Expenditures	<u>284,508</u>	<u>35,176</u>	<u>1,276,675</u>	<u>(1,241,499)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(545,432)</u>	<u>(545,432)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(545,432)	(545,432)
Fund Balance (Deficit), Beginning of Year	<u>(68,892)</u>	<u>(68,892)</u>	<u>(68,892)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u><u>\$ (68,892)</u></u>	<u><u>\$ (68,892)</u></u>	<u><u>\$ (614,324)</u></u>	<u><u>\$ (545,432)</u></u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Developer Fees Drainage Capital Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 133,681	\$ 133,681	\$ 158,899	\$ 25,218
Intergovernmental			634	634
Investment Income				-
Total Revenues	<u>133,681</u>	<u>133,681</u>	<u>159,533</u>	<u>25,852</u>
EXPENDITURES				
Capital Outlay	<u>9,194,000</u>	<u>9,194,000</u>	<u>816,785</u>	<u>8,377,215</u>
Total Expenditures	<u>9,194,000</u>	<u>9,194,000</u>	<u>816,785</u>	<u>8,377,215</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(9,060,319)</u>	<u>(9,060,319)</u>	<u>(657,252)</u>	<u>8,403,067</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			120,804	120,804
Transfers Out			<u>(260,000)</u>	<u>(260,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(139,196)</u>	<u>(139,196)</u>
Net Change in Fund Balances	(9,060,319)	(9,060,319)	(796,448)	8,263,871
Fund Balance (Deficit), Beginning of Year	<u>(2,069,060)</u>	<u>(2,069,060)</u>	<u>(2,069,060)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (11,129,379)</u>	<u>\$ (11,129,379)</u>	<u>\$ (2,865,508)</u>	<u>\$ 8,263,871</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Air Quality Improvement Capital Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 69,615	\$ 9,615
Investment Income			2,076	2,076
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>71,691</u>	<u>11,691</u>
EXPENDITURES				
Current:				
General Government				-
Capital Outlay			82,494	(82,494)
Total Expenditures	<u>-</u>	<u>-</u>	<u>82,494</u>	<u>(82,494)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>60,000</u>	<u>60,000</u>	<u>(10,803)</u>	<u>(70,803)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			365,000	365,000
Transfers Out	(72,000)	(72,000)	(154,454)	(82,454)
Total Other Financing Sources (Uses)	<u>(72,000)</u>	<u>(72,000)</u>	<u>210,546</u>	<u>282,546</u>
Net Change in Fund Balances	(12,000)	(12,000)	199,743	211,743
Fund Balance (Deficit), Beginning of Year	<u>645,811</u>	<u>645,811</u>	<u>645,811</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 633,811</u>	<u>\$ 633,811</u>	<u>\$ 845,554</u>	<u>\$ 211,743</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Developer Impact Fees Parks Capital Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges For Services	\$ 175,881	\$ 175,881	\$ 194,740	\$ 18,859
Intergovernmental			352,072	352,072
Investment Income			2,409	2,409
Other				-
	<u>175,881</u>	<u>175,881</u>	<u>549,221</u>	<u>373,340</u>
EXPENDITURES				
Current:				
General Government				-
Capital Outlay	544,000	544,000	416,686	127,314
	<u>544,000</u>	<u>544,000</u>	<u>416,686</u>	<u>127,314</u>
Excess (Deficiency) of Revenues over Expenditures	(368,119)	(368,119)	132,535	500,654
OTHER FINANCING SOURCES (USES)				
Transfers In			315,563	315,563
Transfers Out			(780,000)	(780,000)
	<u>-</u>	<u>-</u>	<u>(464,437)</u>	<u>(464,437)</u>
Net Change in Fund Balances	(368,119)	(368,119)	(331,902)	36,217
Fund Balances (Deficit), Beginning of Year	(1,417,691)	(1,417,691)	(1,417,691)	-
Fund Balances (Deficit), End of Year	<u>\$ (1,785,810)</u>	<u>\$ (1,785,810)</u>	<u>\$ (1,749,593)</u>	<u>\$ 36,217</u>

City of Yucaipa
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Developer Impact Fees Fire Capital Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 39,293	\$ 39,293	\$ 24,711	\$ (14,582)
Investment Income			802	802
Total Revenues	<u>39,293</u>	<u>39,293</u>	<u>25,513</u>	<u>(13,780)</u>
EXPENDITURES				
Current:				
General Government	<u>53,000</u>	<u>53,000</u>	<u>2,685</u>	<u>50,315</u>
Total Expenditures	<u>53,000</u>	<u>53,000</u>	<u>2,685</u>	<u>50,315</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(13,707)</u>	<u>(13,707)</u>	<u>22,828</u>	<u>36,535</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(13,707)	(13,707)	22,828	36,535
Fund Balance (Deficit), Beginning of Year	<u>(2,083,427)</u>	<u>(2,083,427)</u>	<u>(2,083,427)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (2,097,134)</u>	<u>\$ (2,097,134)</u>	<u>\$ (2,060,599)</u>	<u>\$ 36,535</u>

AGENCY FUNDS

**City of Yucaipa
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2018**

	<u>Police Department Donation</u>	<u>Cramer House</u>	<u>CFD 98-1 Debt Reserves</u>	<u>Totals</u>
ASSETS				
Cash and Investments	\$ 52,071	\$ 50,251	\$ 2,565,111	\$ 2,667,433
Cash and Investments with Fiscal Agents			2,402,392	2,402,392
Accounts Receivable			7,654	7,654
Interest Receivable	81	56	2,636	2,773
	<u>81</u>	<u>56</u>	<u>2,636</u>	<u>2,773</u>
Total Assets	<u>\$ 52,152</u>	<u>\$ 50,307</u>	<u>\$ 4,977,793</u>	<u>\$ 5,080,252</u>
LIABILITIES				
Deposits Payable	\$ 52,152	\$ 50,307	\$	\$ 102,459
Due to Bondholders			4,977,793	4,977,793
	<u>52,152</u>	<u>50,307</u>	<u>4,977,793</u>	<u>4,977,793</u>
Total Liabilities	<u>\$ 52,152</u>	<u>\$ 50,307</u>	<u>\$ 4,977,793</u>	<u>\$ 5,080,252</u>

City of Yucaipa
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2018

	Beginning Balance	Additions	Deletions	Ending Balance
<u>POLICE DEPARTMENT DONATION</u>				
ASSETS				
Cash and Investments	\$ 51,920	\$ 871	\$ (720)	\$ 52,071
Interest Receivable	61	58	(38)	81
Total Assets	<u>\$ 51,981</u>	<u>\$ 929</u>	<u>\$ (758)</u>	<u>\$ 52,152</u>
LIABILITIES				
Deposits Payable	\$ 51,981	\$ 929	\$ (758)	\$ 52,152
Total Liabilities	<u>\$ 51,981</u>	<u>\$ 929</u>	<u>\$ (758)</u>	<u>\$ 52,152</u>
<u>CRAMER HOUSE</u>				
ASSETS				
Cash and Investments	\$ 50,105	\$ 840	\$ (694)	\$ 50,251
Interest Receivable	37	56	(37)	56
Total Assets	<u>\$ 50,142</u>	<u>\$ 896</u>	<u>\$ (731)</u>	<u>\$ 50,307</u>
LIABILITIES				
Deposits Payable	\$ 50,142	\$ 896	\$ (731)	\$ 50,307
Total Liabilities	<u>\$ 50,142</u>	<u>\$ 896</u>	<u>\$ (731)</u>	<u>\$ 50,307</u>
<u>CFD 98-1 DEBT RESERVES</u>				
ASSETS				
Cash and Investments	\$ 2,629,642	\$ 2,263,800	\$ (2,328,331)	\$ 2,565,111
Cash and Investments with Fiscal Agents	2,321,240	87,182	(6,030)	2,402,392
Accounts Receivable	8,665	7,654	(8,665)	7,654
Interest Receivable	1,774	2,636	(1,774)	2,636
Total Assets	<u>\$ 4,961,321</u>	<u>\$ 2,361,272</u>	<u>\$ (2,344,800)</u>	<u>\$ 4,977,793</u>
LIABILITIES				
Due to Bondholders	\$ 4,961,321	\$ 2,361,272	\$ (2,344,800)	\$ 4,977,793
Total Liabilities	<u>\$ 4,961,321</u>	<u>\$ 2,361,272</u>	<u>\$ (2,344,800)</u>	<u>\$ 4,977,793</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Investments	\$ 2,731,667	\$ 2,265,511	\$ (2,329,745)	\$ 2,667,433
Cash and Investments with Fiscal Agents	2,321,240	87,182	(6,030)	2,402,392
Accounts Receivable	8,665	7,654	(8,665)	7,654
Interest Receivable	1,872	2,750	(1,849)	2,773
Total Assets	<u>\$ 5,063,444</u>	<u>\$ 2,363,097</u>	<u>\$ (2,346,289)</u>	<u>\$ 5,080,252</u>
LIABILITIES				
Deposits Payable	\$ 102,123	\$ 1,825	\$ (1,489)	\$ 102,459
Due to Bondholders	4,961,321	2,361,272	(2,344,800)	4,977,793
Total Liabilities	<u>\$ 5,063,444</u>	<u>\$ 2,363,097</u>	<u>\$ (2,346,289)</u>	<u>\$ 5,080,252</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Yucaipa's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	90
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	98
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	104
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	109
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	111

CITY OF YUCAIPA
Net Position by Component
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2018	2017	2016	2015	2014
Net Position:					
Investment in Capital Assets	\$ 173,234,642	\$ 161,130,470	\$ 155,769,811	\$ 150,107,657	\$ 151,188,060
Restricted for:					
Low and Moderate Housing	50,095	93,740	-	-	-
Public Safety	1,147,116	1,437,359	1,709,562	1,731,433	1,648,506
Public Works	1,795,685	3,136,626	3,001,667	9,715,836	9,602,617
Community Development	306	13,106	14,494	12,815	12,815
Community Service / Public Education	2,679,478	2,497,976	2,550,577	2,308,616	2,196,701
Debt Service	-	-	-	-	-
Capital Projects	2,598,651	3,590,668	4,680,900	347,493	323,462
Other Purpose	1,277,363	1,510,011	1,489,306	1,472,937	1,407,186
Unrestricted	<u>33,974,660</u>	<u>34,487,009</u>	<u>38,545,036</u>	<u>38,714,479</u>	<u>42,269,769</u>
Total Net Position	<u>\$ 216,757,996</u>	<u>\$ 207,896,965</u>	<u>\$ 207,761,353</u>	<u>\$ 204,411,266</u>	<u>\$ 208,649,116</u>

Fiscal Year				
2013	2012	2011	2010	2009
\$ 152,718,653	\$ 153,597,104	\$ 151,975,674	\$ 148,144,100	\$ 150,529,949
-	-	1,100,139	1,507,986	1,269,060
1,511,857	1,626,410	1,557,703	10,842,601	10,606,356
8,763,810	4,630,231	4,222,907	1,878,652	10,803,489
5,546,679	4,270,590	4,632,943	-	-
1,978,972	281,933	194,924	-	-
-	-	779,707	88,386	241,438
617,337	1,412,695	7,002,308	-	-
1,372,341	641,451	1,774,525	1,392,325	1,409,884
41,093,013	47,010,514	38,720,659	46,191,835	44,911,757
<u>\$ 213,602,662</u>	<u>\$ 213,470,928</u>	<u>\$ 211,961,489</u>	<u>\$ 210,045,885</u>	<u>\$ 219,771,933</u>

CITY OF YUCAIPA
Changes in Net Position
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2018	2017	2016	2015	2014
Expenses:					
Governmental activities:					
General Government	\$ 4,093,998	\$ 3,810,457	\$ 3,217,017	\$ 3,059,021	\$ 2,786,070
Community Development	2,256,053	2,278,822	5,564,038	5,170,508	6,178,671
Building and Safety	387,227	443,510	535,135	470,200	298,010
Public Works	8,011,508	5,836,411	6,628,742	6,745,133	12,320,777
Public Safety	9,869,497	9,308,288	8,559,107	8,133,233	7,269,032
Fire Protection Services	3,097,650	2,926,527	2,796,287	2,841,475	2,685,834
Paramedic Services	1,486,067	1,329,323	1,170,740	1,064,232	958,613
Community Services	2,012,974	2,549,809	1,893,305	2,106,093	1,633,333
Interest on Long-Term Debt	-	-	-	-	-
Total Governmental Activities	<u>31,214,974</u>	<u>28,483,147</u>	<u>30,364,371</u>	<u>29,589,895</u>	<u>34,130,340</u>
Program Revenues:					
Governmental activities:					
Charges for Services:	3,598,357	3,695,175	3,601,914	3,146,047	2,525,564
Operating Grants and Contributions	1,730,819	1,590,665	1,712,301	1,743,410	1,056,654
Capital Grants and Contributions	13,559,464	1,648,680	7,479,465	3,671,538	4,372,675
 Net (Expense) Revenue and Change in Net Position	 (12,326,334)	 (21,548,627)	 (17,570,691)	 (21,028,900)	 (26,175,447)
 General Revenues:					
Taxes:					
Property Taxes	11,616,465	11,072,145	10,411,588	10,034,783	9,689,395
Sales and Use Taxes	3,491,965	3,446,413	3,528,777	3,178,195	2,857,302
Franchise Taxes	1,381,727	1,339,715	1,415,951	1,427,826	1,412,159
Documentary Transfer Tax	196,525	187,977	165,430	173,871	122,362
Other Taxes	22,529	22,666	22,941	18,253	17,656
Vehicle License Fees, Unrestricted	4,961,077	4,706,421	4,459,501	4,267,755	3,963,654
Intergovernmental, unrestricted	-	-	-	-	-
Investment Income	64,534	183,557	463,238	482,999	315,102
Miscellaneous	391,399	725,345	453,352	558,284	2,844,271
Extraordinary Item	-	-	-	-	-
Total General Revenue	<u>22,126,221</u>	<u>21,684,239</u>	<u>20,920,778</u>	<u>20,141,966</u>	<u>21,221,901</u>
 Change in Net Position	 9,799,887	 135,612	 3,350,087	 (886,934)	 (4,953,546)
 Net Position- Beginning of the Year	 <u>206,958,109</u>	 <u>207,761,353</u>	 <u>204,411,266</u>	 <u>205,298,200</u>	 <u>213,602,662</u>
 Net Position- End of the Year	 <u>\$ 216,757,996</u>	 <u>\$ 207,896,965</u>	 <u>\$ 207,761,353</u>	 <u>\$ 204,411,266</u>	 <u>\$ 208,649,116</u>

Fiscal Year					
	2013	2012	2011	2010	2009
\$	3,886,687	\$ 3,279,187	\$ 2,993,619	\$ 3,363,269	\$ 2,600,522
	6,281,252	6,769,295	7,779,173	10,293,479	7,601,484
	262,910	188,449	273,870	185,619	228,925
	6,336,623	6,735,182	6,802,538	8,398,273	6,416,748
	7,008,652	6,519,554	6,310,298	6,537,445	5,989,346
	2,477,517	2,463,995	2,503,526	2,582,985	2,222,441
	960,248	991,761	969,404	994,988	918,495
	1,427,406	1,234,728	1,260,665	1,416,868	1,435,576
	-	242,212	356,152	188,331	188,446
	<u>28,641,295</u>	<u>28,424,363</u>	<u>29,249,245</u>	<u>33,961,257</u>	<u>27,601,983</u>
	2,649,133	3,115,795	3,067,686	3,062,820	4,294,014
	1,287,363	2,457,849	3,021,749	1,006,444	1,155,086
	6,462,954	3,607,604	5,567,417	4,634,306	7,477,569
	(18,241,845)	(19,243,115)	(17,592,393)	(25,257,687)	(14,675,314)
	9,158,269	10,002,732	10,870,359	11,367,661	12,021,282
	2,663,584	2,731,544	2,569,402	2,284,676	2,375,635
	1,343,430	1,321,021	1,294,626	1,245,207	1,288,024
	115,833	104,569	105,563	96,459	105,435
	15,861	12,439	14,704	15,346	18,567
	3,895,205	3,883,523	4,082,936	4,223,851	4,585,039
	-	-	-	-	-
	217,721	161,622	206,707	318,916	831,250
	963,676	547,288	363,700	346,462	642,065
	-	1,987,816	-	-	-
	<u>18,373,579</u>	<u>20,752,554</u>	<u>19,507,997</u>	<u>19,898,578</u>	<u>21,867,297</u>
	131,734	1,509,439	1,915,604	(5,359,109)	7,191,983
	<u>213,470,928</u>	<u>211,961,489</u>	<u>210,045,885</u>	<u>215,404,994</u>	<u>212,579,950</u>
\$	<u>213,602,662</u>	<u>\$ 213,470,928</u>	<u>\$ 211,961,489</u>	<u>\$ 210,045,885</u>	<u>\$ 219,771,933</u>

CITY OF YUCAIPA
Fund balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2018	2017	2016	2015	2014
General Fund:					
Nonspendable	\$ 20,416,604	\$ 20,648,580	\$ 13,946,845	\$ 11,313,445	\$ 11,537,445
Restricted	192,397	310,760	1,073,460	985,913	1,710,865
Committed	7,463,406	7,035,269	6,761,166	5,342,829	5,182,303
Assigned	4,019,175	3,225,598	12,009,103	10,933,751	9,536,944
Unassigned	5,432,232	5,080,248	11,528,265	15,033,672	14,689,176
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	<u>37,523,814</u>	<u>36,300,455</u>	<u>45,318,839</u>	<u>43,609,610</u>	<u>42,656,732</u>
All other governmental funds:					
Nonspendable	-	-	2,923,167	2,523,014	2,531,014
Restricted	10,547,436	12,901,073	13,272,331	15,532,774	15,039,236
Committed	11,820,420	11,811,080	8,878,997	8,870,725	8,458,732
Assigned	5,777,260	12,301,900	-	36,079	327,168
Unassigned	(27,535,988)	(23,280,361)	(15,873,763)	(13,324,985)	(12,172,510)
Reserved for:					
Debt service funds	-	-	-	-	-
Specific Projects	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>609,128</u>	<u>13,733,692</u>	<u>9,200,732</u>	<u>13,637,607</u>	<u>14,183,640</u>
Total Fund Balances	<u>38,132,942</u>	<u>50,034,147</u>	<u>54,519,571</u>	<u>57,247,217</u>	<u>56,840,372</u>

<1> GASB 54 was implemented in FY 2010/11

Fiscal Year				
2013	2012	2011	2010	2009
\$ 11,788,003	\$ 12,974,225	\$ 16,649,006	\$ -	\$ -
928,749	883,501	871,873	-	-
5,037,196	5,181,542	5,419,667	-	-
8,579,695	8,872,998	7,677,045	-	-
13,074,022	17,644,570	15,241,836	-	-
-	-	-	18,203,751	18,307,818
-	-	-	27,827,468	27,858,106
<u>39,407,665</u>	<u>45,556,836</u>	<u>45,859,427</u>	<u>46,031,219</u>	<u>46,165,924</u>
2,577,079	-	-	-	-
14,897,917	11,977,969	20,393,283	-	-
8,053,276	10,669,486	10,133,160	-	-
358,898	-	570,420	-	-
(5,109,470)	(9,060,234)	(9,191,206)	-	-
-	-	-	-	241,438
-	-	-	1,946,059	746,079
-	-	-	-	-
-	-	-	17,717,484	14,980,105
-	-	-	(1,862,751)	8,396,963
-	-	-	88,386	-
<u>20,777,700</u>	<u>13,587,221</u>	<u>21,905,657</u>	<u>17,889,178</u>	<u>24,364,585</u>
<u>60,185,365</u>	<u>59,144,057</u>	<u>67,765,084</u>	<u>63,920,397</u>	<u>70,530,509</u>

CITY OF YUCAIPA
Changes General Fund Balance
Last Ten Fiscal Years

	Fiscal Year			
	2018	2017	2016	2015
Revenues:				
Taxes:				
Property Taxes	\$ 11,616,465	\$ 11,072,145	\$ 10,411,588	\$ 10,034,783
Property Taxes Fire		-	-	-
Sales and Use Taxes	3,491,965	3,446,413	3,528,777	3,178,195
Franchise Taxes	1,381,727	1,339,715	1,415,951	1,427,826
Documentary Transfer Tax	196,525	187,977	165,430	173,871
Other taxes	22,529	22,666	22,941	18,253
License and Permits	563,075	669,889	741,816	644,438
Fines and Forfeitures	42,799	34,708	46,210	65,641
Charges for Services	3,337,724	3,217,725	4,142,074	3,523,712
Intergovernmental	9,570,510	8,048,047	11,192,564	8,422,778
Investment Income	478,954	472,118	899,261	713,548
Other	391,399	563,339	643,662	692,134
Total Revenue	<u>31,093,672</u>	<u>29,074,742</u>	<u>33,210,274</u>	<u>28,895,179</u>
Expenditures:				
Current:				
General government	3,190,544	3,082,881	2,761,798	2,574,342
Community Development	796,652	819,421	874,127	662,301
Building and Safety	387,227	443,510	535,135	470,200
Public Works	3,984,399	3,632,801	3,960,098	4,217,659
Public Safety	9,127,655	8,658,819	7,980,926	7,570,372
Fire Protection Services	3,097,650	2,926,527	2,796,287	2,841,475
Paramedic Services	1,486,067	1,329,323	1,170,740	1,064,232
Community Service	1,830,426	2,364,323	1,707,102	1,908,332
Capital Outlay	18,848,545	10,191,847	14,053,736	6,964,420
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Principal Payments	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total Expenditures	<u>42,749,165</u>	<u>33,449,452</u>	<u>35,839,949</u>	<u>28,273,333</u>
Excess (deficiency) and revenues over (under) expenditures	(11,655,493)	(4,374,710)	(2,629,675)	621,846
Other financing sources (uses)				
Transfer In	7,444,171	26,029,696	5,469,107	2,392,627
Transfer Out	(7,554,885)	(26,140,410)	(5,567,078)	(2,607,627)
Tax Allocation Bonds Issued	-	-	-	-
Premium on Bonds	-	-	-	-
Total Other Financing Sources	(110,714)	(110,714)	(97,971)	(215,000)
Extraordinary Item	-	-	-	-
Net Change in Fund Balance	(11,766,207)	(4,485,424)	(2,727,646)	406,846
Fund Balance, Beginning of Year	50,034,147	54,519,571	57,247,217	56,840,371
Fund Balance, End of the Year	<u>\$ 38,267,940</u>	<u>\$ 50,034,147</u>	<u>\$ 54,519,571</u>	<u>\$ 57,247,217</u>

		Fiscal Year									
		2014	2013	2012	2011	2010	2009				
\$	9,689,395	\$	9,158,269	\$	10,002,732	\$	10,870,359	\$	11,367,661	\$	12,021,282
	-		-		-		-		-		-
	2,857,302		2,663,584		2,731,544		2,569,402		2,284,676		2,375,635
	1,412,159		1,343,430		1,321,021		1,294,626		1,245,207		1,288,024
	122,362		115,833		104,569		105,563		96,459		105,435
	17,656		15,861		12,439		14,704		15,346		18,567
	439,867		426,965		385,983		508,734		383,386		453,413
	87,443		99,282		61,941		83,985		144,082		190,430
	1,558,693		2,088,953		2,087,682		2,060,734		1,913,664		2,666,090
	9,523,229		10,921,608		9,780,385		12,473,427		10,543,961		12,428,860
	315,102		220,434		203,225		266,415		453,471		1,351,132
	1,456,782		1,559,870		1,016,664		760,948		889,619		1,369,644
	<u>27,479,990</u>		<u>28,614,089</u>		<u>27,708,185</u>		<u>31,008,897</u>		<u>29,337,532</u>		<u>34,268,512</u>
	2,560,664		3,209,997		2,788,156		2,450,564		2,535,173		1,959,720
	680,532		639,820		3,016,056		2,477,779		1,791,765		1,239,563
	298,010		262,910		188,449		273,870		185,619		228,925
	3,672,607		3,628,420		5,115,331		4,742,770		5,076,502		4,031,318
	6,974,900		6,710,993		6,339,465		6,055,274		6,152,569		5,779,791
	2,685,834		2,477,517		2,463,995		2,503,526		2,582,985		2,222,441
	958,613		960,248		991,761		969,404		994,988		918,495
	1,396,430		1,190,224		1,076,932		1,037,780		1,059,431		1,249,786
	13,423,621		8,292,652		7,514,000		11,919,657		14,928,119		16,072,579
	-		-		211,163		256,128		189,726		189,724
	-		-		200,000		55,000		130,000		125,000
	-		-		-		273,089		-		-
	<u>32,651,211</u>		<u>27,372,781</u>		<u>29,905,308</u>		<u>33,014,841</u>		<u>35,626,877</u>		<u>34,017,342</u>
	(5,171,221)		1,241,308		(2,197,123)		(2,005,944)		(6,289,345)		251,170
	5,849,550		11,215,090		2,767,624		6,043,092		5,010,854		6,706,388
	(4,023,323)		(11,415,090)		(2,972,624)		(6,248,092)		(5,331,621)		(7,032,564)
	-		-		-		6,030,000		-		-
	-		-		-		25,631		-		-
	1,826,227		(200,000)		(205,000)		5,850,631		(320,767)		(326,176)
	-		-		(6,218,903)		-		-		-
	(3,344,994)		1,041,308		(8,621,026)		3,844,687		(6,610,112)		(75,006)
	60,185,365		59,144,057		67,765,083		63,920,397		70,530,509		70,605,515
\$	<u>56,840,371</u>	\$	<u>60,185,365</u>	\$	<u>59,144,057</u>	\$	<u>67,765,084</u>	\$	<u>63,920,397</u>	\$	<u>70,530,509</u>

CITY OF YUCAIPA
 Assessed Value and Estimated Actual Value of Taxable Property by Major Type
 Last Ten Fiscal Years

Category	2018	2017	2016	2015	2014
Residential	3,753,392,419	3,545,207,827	3,358,340,145	3,197,499,722	2,941,326,218
Commercial	318,283,068	307,441,314	282,344,120	279,379,006	278,331,820
Industrial	20,540,942	19,449,887	28,947,572	27,816,631	25,761,469
Irrigated	140,876	138,112	3,395,439	3,328,926	132,771
Dry Farm	3,372,477	3,433,192	3,759,117	6,693,945	3,313,882
Recreational	5,127,653	5,069,825	136,038	133,374	5,052,198
Institutional	9,902,113	10,120,689	10,959,685	11,413,452	4,629,021
Miscellaneous	11,567,874	10,872,131	5,415,474	4,107,321	11,156,895
Vacant Land	113,299,055	112,236,082	109,221,283	105,449,947	103,068,595
Unsecured	66,612,865	67,513,752	64,879,744	65,290,823	64,584,003
Exempt	-	-	-	-	-
Total	4,302,239,342	4,081,482,811	3,867,398,617	3,701,113,147	3,437,356,872
 Total direct rate	 0.22923	 0.22921	 0.22914	 0.22912	 0.22915

Source:
HdL

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
2,878,776,247	2,846,903,947	2,831,503,480	3,006,115,775	3,310,453,094
276,265,189	273,744,743	269,925,338	252,015,949	264,234,597
23,991,367	20,762,516	18,426,334	18,374,670	17,067,825
130,167	127,614	126,661	126,961	124,471
3,248,902	3,185,198	3,368,272	3,106,272	5,324,049
5,001,371	7,014,523	6,963,679	7,219,167	7,500,172
2,966,082	3,105,703	3,175,684	3,878,434	5,244,229
10,820,367	10,767,981	10,808,961	10,458,874	8,437,085
109,700,908	112,764,550	118,638,093	152,880,519	152,528,633
67,096,047	67,141,606	70,615,476	75,677,744	68,666,414
-	-	-	-	-
<u>3,377,996,647</u>	<u>3,345,518,381</u>	<u>3,333,551,978</u>	<u>3,529,854,365</u>	<u>3,839,580,569</u>
0.27624	0.2748	0.27536	0.27262	0.26610

CITY OF YUCAIPA
 Direct & Overlapping Property Tax Rates
 (Rate Per \$100 of Taxable Value)

Agency	2018	2017	2016	2015	2014
Basic Levy	1.00000	1.00000	1.00000	1.00000	1.00000
Redlands Unified School Bond 1993	0.04940	0.05240	0.05670	0.05940	0.06290
San Bernardino Community College Bond	0.03760	0.03500	0.04030	0.03930	0.04190
San Bernardino Valley Muni Water	0.15250	0.16250	0.16250	0.16250	0.16250
Total Direct & Overlapping Tax Rates	1.23950	1.24990	1.25950	1.26120	1.26730
City's Share of 1% Levy Per Prop 13	0.22228	0.22228	0.22228	0.22228	0.22228
General Obligation Debt Rate	0	0	0	0	0
Redevelopment Rate ¹					
Total Direct Rate	0.22923	0.22915	0.22914	0.22912	0.22915

¹ The approval of ABx1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

Source:
 HdL

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
1.00000	1.00000	1.00000	1.00000	1.00000
0.06410	0.05820	0.06170	0.05410	0.05190
0.04590	0.03730	0.04670	0.02800	0.03930
0.04190	0.16500	0.16500	0.16500	0.16500
1.27250	1.26050	1.27340	1.24710	1.25620
0.22228	0.22228	0.22228	0.22228	0.22228
0	0	0	0	0
	1.16500	1.16500	1.16500	1.16500
0.27624	0.27480	0.27536	0.27262	0.26610

CITY OF YUCAIPA
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2018		2009	
	Combined (Secured & Unsecured)		Combined (Secured & Unsecured)	
	Total Assessed Value	Percent of Net Assessed Value	Total Assessed Value	Percent of Net Assessed Value
1 SNR 24 GOLDEN OAKS OWNER LLC	\$ 17,903,872	0.42%	\$ -	-
2 YVCC II LC	17,613,726	0.41%	16,488,686	0.43%
3 YUCAIPA VALLEY ACRES LLC	16,153,691	0.38%	9,573,567	0.25%
4 CHAPMAN HEIGHTS YUCAIPA	14,135,755	0.33%	12,489,900	0.33%
5 WANG DISCOVERY	13,750,842	0.32%	-	-
6 CALADA REAL LP	11,969,628	0.28%	10,514,410	0.28%
7 JDP CH INVESTMENTS LP	11,911,316	0.28%	10,585,042	0.28%
8 PUTNAM FAMILY PARTNERSHIP	11,233,333	0.26%	9,925,416	0.26%
9 STATER BROS MARKETS	10,353,898	0.24%	13,085,752	0.34%
10 SORENSON ENGINEERING INC	9,241,642	0.21%	7,958,339	0.21%
TOP TEN TOTAL	<u>134,267,703</u>	<u>3.13%</u>	<u>90,621,112</u>	<u>2.38%</u>
CITY TOTAL	<u>4,302,239,342</u>		<u>3,821,580,569</u>	

Source:
HdL

CITY OF YUCAIPA
Property Tax Levies and Collections ¹
Last Five Fiscal Years

Fiscal Year Ended 30-Jun	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Subsequent Years Collections of Prior Years ²	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2018	10,063,603	10,008,179	99.45%	291,704	10,299,883	102.35%
2017	9,600,087	9,431,090	98.24%	353,833	9,784,922	101.93%
2016	9,072,734	8,847,926	97.52%	355,412	9,203,338	101.44%
2015	8,636,028	8,460,894	97.97%	360,019	8,820,913	102.14%
2014	8,112,664	7,905,747	97.45%	378,362	8,284,109	102.11%
2013	7,947,013	7,616,103	95.84%	328,122	7,944,225	99.96%
2012	7,870,762	7,328,924	93.12%	436,176	7,765,100	98.66%

NOTE:

¹ The amounts presented include City property taxes and Redevelopment Agency increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies. The State of California dissolved the Redevelopment Agency effective 2012. Collections in subsequent years may include delinquent tax payments from multiple years which are not identified separately by the County of San Bernardino.

² Subsequent Years Collections of Prior Years may include delinquent tax payments from multiple prior years which are not identified separately by the County of San Bernardino. Limitations exist within the County's tax system which impede the ability to identify prior tax year delinquent payments by assesment year.

Source:

San Bernardino County Auditor-Controller's Office

The City of Yucaipa has elected to show only seven years of data for this schedule

CITY OF YUCAIPA
Ratios of Outstanding Debt by Type
Last Five Fiscal Years

Fiscal Year Ended June 30	Former RDA Tax Allocation Bonds Principal Outstanding	Percentage of Personal Income ¹	Debt Per Capita ¹
2018	-	#DIV/0!	#DIV/0!
2017	-	0.00%	\$ -
2016	-	0.00%	\$ -
2015	-	0.00%	\$ -
2014	-	0.00%	\$ -
2013	-	0.00%	\$ -

¹ These ratios are calculated using personal income and population for the prior calendar year.

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. All debt listed on this page is the debt of the former Yucaipa Redevelopment Agency. The Yucaipa Redevelopment Agency was dissolved by the State of California effective 2012.

The City of Yucaipa currently does not have any debt.

CITY OF YUCAIPA
Ratios of General Bonded Debt Outstanding
Last Five Fiscal Years

Fiscal Year Ended June 30	Former RDA Tax Allocation Bonds ¹	Percentage of Assessed Value ¹	Per Capita ¹
2018	-	0.00%	-
2017	-	0.00%	\$ -
2016	-	0.00%	-
2015	-	0.00%	-
2014	-	0.00%	-
2013	-	0.00%	-

¹ Assessed Value has been used because the actual value of taxable property is not readily available in the State of California.

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. All debt listed on this page is the debt of the former Yucaipa Redevelopment Agency. The Yucaipa Redevelopment Agency was dissolved by the State of California effective 2012.

The City of Yucaipa currently does not have any debt.

CITY OF YUCAIPA
Direct and Overlapping Debt
June 30, 2018

Net Taxable 2017-2018 Assessed Valuation

	Percentage Applicable	Outstanding Debt 06/30/18	Estimated Share of Overlapping Debt
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
San Bernardino Community College District	6.530%	\$ 440,458,530	\$ 28,761,942
Redlands Unified School District	0.072%	\$ 77,808,830	56,022
City of Yucaipa	100.000%	\$ -	-
City of Yucaipa Community Facilities District No. 98-1	100.000%	\$ 20,780,000	20,780,000
Yucaipa Calimesa Joint Unified School District Community Facilities District No. 2	100.000%	1,070,000	1,070,000
Yucaipa Calimesa Joint Unified School District Community Facilities District No. 3	100.000%	2,190,532	2,190,532
 TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		 \$ 542,307,892	 \$ 52,858,496
 <u>OVERLAPPING GENERAL FUND DEBT:</u>			
San Bernardino County General Fund Obligations	2.075%	\$ 368,015,000	\$ 7,636,311
San Bernardino County Pension Obligation Bonds	2.075%	336,106,248	6,974,205
San Bernardino County Flood Control District General Fund Obligations	2.075%	38,325,000	795,244
Redlands Unified School District Certificates of Participation	0.072%	5,000,000	3,600
Yucaipa-Calimesa Joint Unified School District Certificates of Participation	83.316%	8,025,000	6,686,109
 TOTAL OVERLAPPING GENERAL FUND DEBT		 755,471,248	 22,095,469
 OVERLAPPING GENERAL FUND DEBT (Successor Agency):	 100.000%	 7,320,000	 7,320,000
 <u>DIRECT TAX AND ASSESSMENT DEBT:</u>			
City of Yucaipa	100.000%	\$ -	-
 TOTAL DIRECT DEBT		 \$ -	 \$ -
 COMBINED TOTAL DEBT ²			 82,273,965

Notes:

¹ The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

² Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2017-18 Assessed Valuation:

Direct Debt.....	0.00%
Total Direct and Overlapping Tax and Assessment Debt.....	1.23%
Combined Total Debt.....	1.93%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$201,602,558):

Total Overlapping Tax Increment Debt.....	3.36%
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Sources: California Municipal Statistics

CITY OF YUCAIPA
 Legal Debt Margin Information
 Last Five Fiscal Years

	2018	2017	Fiscal Year 2016	2015	2014
Assessed Valuation	4,302,239,342	4,081,482,811	3,867,398,617	3,701,113,147	3,437,356,872
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,075,559,836	1,020,370,703	966,849,654	925,278,287	859,339,218
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	161,333,975	153,055,605	145,027,448	138,791,743	128,900,883
Total net debt applicable to the limit General obligation bonds	-	-	-	-	-
Legal debt margin	<u>161,333,975</u>	<u>153,055,605</u>	<u>145,027,448</u>	<u>138,791,743</u>	<u>128,900,883</u>
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision when assessed valuation was based up 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel.) The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local government located within the state.

Sources:

San Bernardino County Tax Assessor

CITY OF YUCAIPA
Pledged Revenue Coverage
Last Six Fiscal Years

Tax Allocation Bonds

Fiscal Year Ended June 30	Former RDA Tax Increment	Debt Service		Coverage
		Principal	Interest	
2018	-	135,000	377,352	-
2017	-	165,000	384,698	-
2016	-	160,000	394,394	-
2015	-	155,000	400,775	-
2014	-	150,000	405,032	-
2013	-	140,000	411,617	-

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

On February 1, 2012 the Redevelopment Agency was dissolved

CITY OF YUCAIPA
Demographic and Economic Statistics
Last Seven Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (In Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2017	54,651	\$ 1,338,730.00	\$ 24,643.00	4.00%
2016	54,324	\$ 1,347,721.00	\$ 24,808.00	9.20%
2015	53,779	\$ 1,367,950.00	\$ 25,436.00	11.40%
2014	52,598	\$ 1,353,662.00	\$ 25,736.00	13.70%
2013	52,654	\$ 1,365,950.00	\$ 25,942.00	14.80%
2012	52,549	\$ 1,372,475.00	\$ 26,118.00	14.10%
2011	52,100	\$ 1,343,555.00	\$ 25,788.00	12.20%

Sources:

State Department of Finance, HdL, State of California Employment Development Department

CITY OF YUCAIPA
City Employees
by Function
Last Five Fiscal Years

	Employees as of June 30				
	2018	2017	2016	2015	2014
Full-time employees:					
Administrative Services Department:					
Administrative Services	3.00	3.00	3.00	3.00	3.00
City Clerk's office	4.00	4.00	4.00	4.00	4.00
City Managers office	3.00	3.00	2.00	2.00	2.00
Finance	3.75	3.75	3.75	3.75	3.75
Community Development Department:					
Director	0.40	0.40	0.33	0.33	0.33
Senior Administrative Assistant	0.75	0.74	0.00	0.00	0.00
Administrative Assistant	0.00	0.00	0.40	0.40	0.40
Planning	2.50	2.50	0.00	0.00	0.00
Code Enforcement	4.16	4.20	4.33	4.33	4.00
Community Services Department:	7.00	7.00	7.00	7.00	7.00
Development Services Department:					
Director	0.00	0.00	1.00	1.00	1.00
Planning	0.00	0.00	1.90	1.40	1.40
Fire Services Department:	0.25	0.00	0.00	0.00	0.00
Public Works Department:					
Administration	1.00	1.50	1.50	1.50	1.00
Engineering	6.00	5.00	5.00	5.50	4.30
Street Maintenance	4.50	4.00	5.00	5.00	6.00
Parks/Facilities Maintenance	8.00	8.00	7.00	7.00	6.70
Successor Agency to RDA	0.52	0.39	0.54	0.54	0.87
Yucaipa Housing Authority	0.18	0.28	0.00	0.00	0.00
Total	49.00	47.75	46.75	46.75	45.75

Sources:
City of Yucaipa

CITY OF YUCAIPA
 Operating Indicators
 by Function
 Last Five Fiscal Years

Function	2018	2017	Fiscal Year 2016	2015	2014
Police:					
Calls for service	42,964	30,672	32,676	32,558	34,958
Citations issued	1,293	1,380	3,126	3,916	4,702
Fire:					
Number of Incidents	7,691	7,696	7,536	7,069	6,894
Inspections performed	105	1,554	1,549	1,078	706
Building and Safety:					
Building Permits Issued	1,274	1,511	1,420	1,544	1,638
No. of New Dwelling Units	125	76	97	92	10
Parks and recreation:					
Community center attendance	21,007	22,475	17,840	15,569	16,070
Youth sports attendance	-	-	-	-	-
Adult sports attendance	-	-	-	-	-
STARS (prev. Kids Club)	15,036	13,347	12,654	9,937	22,723
STARS Camps	1,574	-	-	-	-
Aquatics	7,090	6,248	4,348	-	-
Community Center Classes	6,508	4,429	4,144	7,304	3,758
Scherer Center Classes	5,267	4,907	4,013	4,499	4,499
Administration					
New Business Licenses	459	514	535	490	572
Renewed Business Licenses	1,487	1,591	1,497	1,581	1,586

1 Sports and Aquatics programs taken over by contracted activity providers.

2 Registration software program conversion which altered the tracking of individual attendance.

Sources:

City of Yucaipa

CITY OF YUCAIPA
 Capital Asset Statistics
 by Function
 Last Five Fiscal Years

Function	<u>2018</u>	<u>2017</u>	<u>Fiscal Year</u> <u>2016</u>	<u>2015</u>	<u>2014</u>
Police:					
Stations	1	1	1	1	1
Sub-stations					
Fire:					
Fire Stations	3	3	3	3	3
Public Works					
Streets (miles)	227.82	227.82	227.82	227.82	227.82
Traffic signals (city-owned)	27.5	27.5	27.5	27.5	27.5
Roundabouts	2	2	2	2	2
Parks and Recreation:					
Parks (acreage)	532	532	532	532	532
Community centers	2	2	2	2	2

Sources:
 City of Yucaipa